



A LANDLORDS GUIDE TO LETTING RESIDENTIAL PROPERTY



MISSION STATEMENT



Preferential Properties lead the way in providing innovative residential lettings services in our area, always exceeding our customers' expectations.

Our aim is to maximise the asset value of landlords' property by adapting to the diversity of individual investors, local market conditions and tenants through sound leadership, unparalleled industry knowledge and our total commitment to service.



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REGULATED LETTING AGENTS

It seems amazing to us that almost anyone can open up a letting agency and commence trading without any training, qualifications, proof of minimum standards or certificate of competency. Preferential Properties are proud of our membership of the both the National Approved Landlords Scheme and the Ombudsman for Letting Agents and believe it is an indication of the type of service excellence you can expect to receive should you decide to let your property through us. After all there is much at stake so you owe it to yourself to choose wisely.

National Approved Landlords Scheme (NALS)

The letting of your property is far too important to entrust to just anybody. Those who claim to work on your behalf may simply be out to claim the commission from a lacklustre tenancy that might have happened without their involvement, where there is no accountability, commitment or care. Their objectives might only be to secure a tenancy at any price, as long as they can claim your fees. One has to ask the question - "will they genuinely act in my best interests, and secure a good rental figure from a considerate and wellqualified tenant?" Will they make your let as stress-free as possible, or add to your anxiety? There are various credentials you should check when selecting the right agent to let your property, such as membership of the National Approved Letting Scheme (NALS) or the Association of The Property Ombudsman Scheme for Residential Letting Agents (ARLA). Both of these schemes are accreditation schemes for lettings and management agents offering peace of mind to landlords' and tenants in knowing that they are dealing with a firm which agrees to meet defined standards of customer service, together with having in place the necessary insurances to protect clients' money as well as a customer complaints procedure offering independent redress.

What is Client Money Protection (CMP)?

CMP is a mandatory requirement for all NALS members who deal in letting and management. The NALS automatically assumes that if we are involved in letting and management, then we are holding clients' money. This may be landlords' money - e.g. rents received which will be passed on to them; or tenants' money - e.g. deposits. The money may only be held by us for a short time - nevertheless we are still holding clients' money and should therefore have a clients' account. The NALS scheme is designed to reimburse clients of

members who have suffered financial loss due to the dishonesty of the member and/or their firm. The NALS have given a 'promise' to clients of NALS members that, up to preset limits, they will make reimbursement for such losses. The NALS have therefore taken out an insurance policy to these same pre-set limits to cover the risk that they have assumed in the 'promise' to the clients of members. The only party insured under this policy is the NALS. For the scheme to operate successfully, it is a requirement of NALS membership that participating members involved in letting and management already hold Professional Indemnity insurance (PI), simply because PI insurance would be the first port of call should there be any claims.

Lettings Agents

By choosing an agent who belongs to the Property Ombudsman Scheme for Lettings Agents, you can be assured of the following: Scheme Members agree to abide by the Ombudsman Code of Practice. This sets out a framework within which Members must operate and sets the standards of service they should provide.

The Code is mandatory and rigorously enforced. Compliance levels and consumer satisfaction are closely monitored. If things go wrong, and you have a dispute with a Member Agency, you can refer your complaint to the Ombudsman for resolution. The Ombudsman is completely independent of the Member Agencies, and will provide a free, fair and speedy review of complaints falling within his Terms of Reference. Member agencies agree to co-operate with the Ombudsman and to abide by any decisions that the Ombudsman comes to. Any financial award that the Ombudsman makes in your favour is binding.



PREPARING THE PROPERTY FOR LETTING

As any agent will tell you, it's vital to show your property at its best if you want to attract tenants. Not every agent has the benefit of our expertise when it comes to highlighting the features that make tenants choose your property.

Presentation

Always present your property in the best possible condition. We get asked this a lot, and there is no right or wrong answer. The more attractive your property, the greater your chances are of finding a tenant and keeping your property occupied throughout the year. Good quality properties always rent quickly. When properties are obviously looked after and presented in the best possible condition, tenants are more appear to look after your property, the tenant will do the same! Also don't overlook the furnishings – make sure these reflect the quality of the property, and the type of tenant you want to attract. Properties can be let down by the condition of their furnishings. Also, the better the quality of furnishings the less maintenance and repair will be needed by you.

These tips have been prepared as a guide:

- Neutral decor works best
- Remove all clutter
- Painted surfaces are easier to maintain than wallpaper
- Professional cleaning throughout the property
- Gardens should be neat and tidy
- Refrigerators and freezers should be turned off and doors
- If the property is to be left unoccupied, depending on the time of year, place the heating on a low setting (10-12 deg C) and place static air fresheners around the property. This will provide a welcoming atmosphere for the prospective tenants, and could make all the difference as to whether they rent your property.

Various factors need to be taken into account when advising a landlord on how they should best proceed with their letting. A property assessment will be carried out by Preferential Properties when visiting the property to carry out an initial inspection, following which all relevant details will be discussed in greater detail with you. This enables you to ask any questions that you may have and discuss any particular concerns. This service is provided free and without any obligation.

Furnished or Unfurnished

In the past, furnished properties used to achieve higher rents however, today there is little difference in rental value between furnished or unfurnished. There is demand for both furnished and unfurnished properties; furnished properties tend to appeal to companies, professionals and students. likely to treat the property as if it were their own. If you don't Unfurnished properties hold greater appeal to families who over the years have accumulated their own possessions. If a property is to be let furnished then of course the better the standard and presentation of the furnishings the greater the opportunity for maximising the rent. There is, however, significantly more demand for unfurnished properties, and we would recommend letting the property unfurnished if at all possible. You now also get the same legal protection when your property is furnished or unfurnished.

Whether furnished or unfurnished, the property should include:

- Carpets, curtains and/or blinds & light fittings
- Instruction manuals for all appliances, including boilers and timer controls
- Bathrooms should always include a shower, ideally have tiled floors and adequate ventilation
- Unless a gardening service is provided, it is a good idea to provide garden tools, lawn mower etc
- A cooker and hob are essential. Other white goods such as fridges, freezers, washing machines, tumble dryers and dishwashers are optional. If any of these other white goods are provided, we state within the tenancy that landlords reserve the right not to repair the items.

A fully furnished property would also include:

- furniture, kitchen crockery and utensils
- Soft furnishings must meet with current safety regulations. The Regulations are explained later.

Cleaning

Always make sure that the property is professionally cleaned forward mail. prior to the start of a tenancy including carpets and curtains in all rooms. The tenant will be expected to return the property to this condition at the end of their tenancy. Where there is evidence that no effort has been made to maintain a reasonable level of cleanliness, cleaning will be arranged at their expense.

Keys

You should aim to provide the tenant with at least two sets of keys for the property. If we manage the property we would also require a set and will arrange to have duplicates cut as required.

Smoke alarms

Should all be tested and working.

Post and mail forwarding

Make sure you notify the Post Office of your new address, as tenants cannot be relied upon to forward post to you. We recommend that you make use of the Post Office redirection service. Application forms are available at their counters, and

the cost is minimal. It is not the tenant's responsibility to

Instruction Manuals

It is a legal requirement that you leave information for the tenant on operating the central heating and hot water system, washing machine and alarm system. It is also helpful if you let them know the day refuse is collected etc.

Contact Numbers

Unless choosing our managed service, please ensure that you supply the tenants with all your contact numbers, so that they can reach you at any time.

Preferred contractors

If choosing our managed service - please let us know of any preferred contractors you would like us to use. We will be happy to use contractors who you are familiar with.

Gardens

Gardens should be left neat, tidy and rubbish-free, with any lawns cut. Tenants are required to maintain the gardens to a reasonable standard, provided they are left the necessary tools.



LETTING YOUR PROPERTY MADE EASIER

At Preferential Properties, we are more conscious than most of the overriding importance of providing a local service, delivered passionately by local people. This combination of experience and local expertise delivers an unsurpassed and intense market knowledge of the local area, meaning that you can expect to receive the most relevant and up to date comment and opinion when it comes to property rental appraisal, market intelligence and strategic marketing advice. This means we work to rent your property at the most realistic rent possible with valuations based on what is achievable within the market place.

Free marketing advice

Of course, when you let your property, you'll have expectations as to how much rent it will bring in and how quickly you can fill it. One of our first steps is to offer you a free consultation so that we can work out a structured marketing campaign to achieve those expectations.

You'll be glad to know that, from the moment we first visit your home, we're thinking about letting it for you.

Quality photographs

When we take pictures of your property, we do it to a high standard. As part of our standard service, we always take a number of internal and external photographs to ensure the best results. Your property needs to be noticed.

Floorplans

Searching for a home can be a hard task. Adding a detailed floor plan of the property allows prospective tenants to have a clear indication of the layout of the property. Floor plans give perspective to the house; show the layout of the rooms and how well the home flows.

Virtual tours

Virtual tours of properties enable prospective tenants to better appreciate the layout of the property and allow them to view the property from the comfort of their own home before deciding to arrange a viewing.

Trained and motivated staff

Letting your property can be a testing time for you, especially if you've never let it before. One of our friendly, knowledgeable members of staff will quide you right through the process. They're trained in all areas of property letting, so you'll never feel like you're going it alone.

Local area knowledge

Local knowledge goes a long way. Knowing exactly what certain areas can offer, in the way of schools and other services, is an asset of which we're rightly proud.

You'll find it simple to get in touch with us

Nowadays it's essential that people can contact us easily. After all, nobody likes to be kept waiting, especially when rental properties can be snapped up so quickly. Here's how we keep our lines of communication open for you - and anyone interested in renting your property: You can call - our staff can provide information on all our available properties and services from Monday through to Saturday. At other times, you can leave a message - or use the 'Contact Us' service on our website- and we promise to get back to you as soon as we can.

You'll receive invaluable, independent advice. You may find that everyone wants to pass on words of wisdom and experience about letting your property. Our independent and extensive expertise allows us to offer advice that's always right for you.



MARKETING

It may sound obvious, but we really know a thing or two about letting property. More importantly, we know about letting property in today's market. In fact, you might be surprised at just how many ways we have of alerting people to the availability of your property.

Window display

Those looking to rent always keep an eye-out, especially on the high street, so our local office makes an ideal shop window for your property.

Local advertising

With our knowledge of the area's papers and magazines, arranging the most effective place to advertise is second nature to us. This isn't based on guesswork either – we constantly monitor responses to make sure your home is seen by the right people. This, in turn, leads to daily requests for property details – which means more potential tenants on our mailing lists.

"To Let" board

The traditional method is not to be underestimated – it grabs the attention and often leads directly to that successful let.



National advertising

Our wealth of experience tells us that certain properties benefit from more widespread exposure, or appearing in more specialist publications, which we can easily organize for you. You can benefit from the latest technology. We're always looking for new ways to let people know about your property. Making best use of the available technology is how we stay at the forefront of residential lettings – and find a tenant for you.

Mobile text messaging

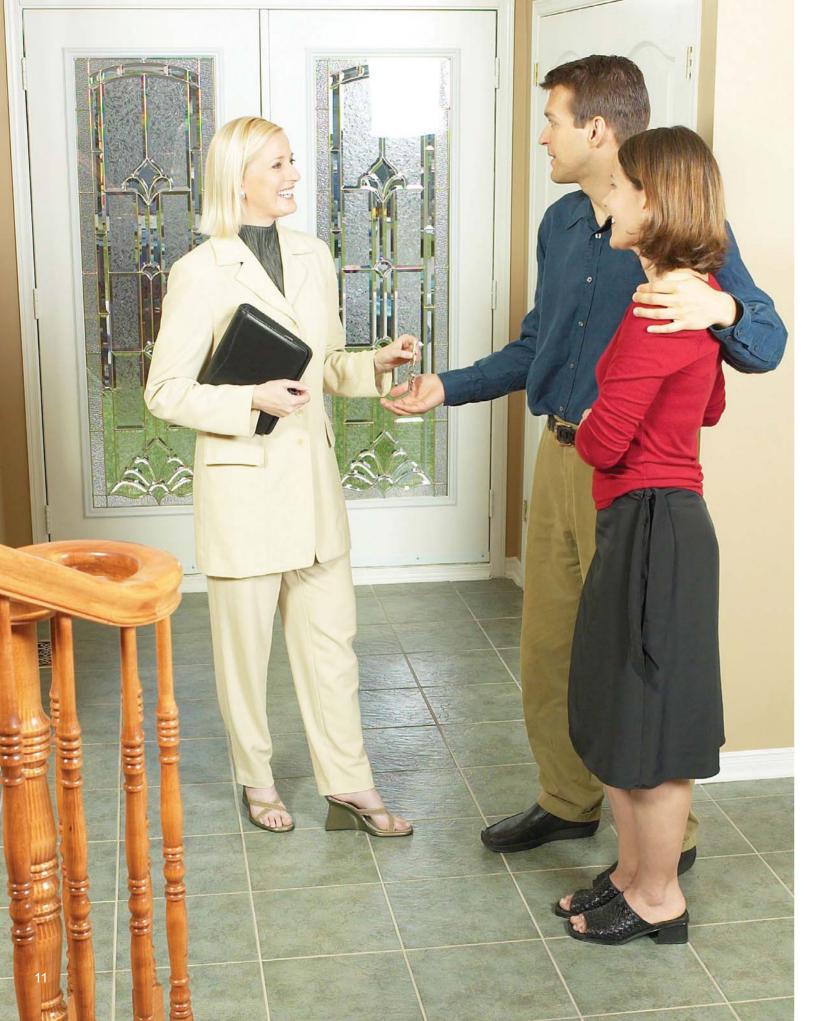
In today's property market, the situation can change quickly. You need the agent who responds the quickest. We were one of the first agents to use a mobile phone messaging service, so that potential tenants can monitor all the latest properties on the market.

The Web

More and more people are looking for rental properties online. Your property will go up on our website. www.prefprop.com. Figures for the last six months show over 3000 visitors per month to the website; this is a large shop window. We also feature our properties on other websites too, such as www.rightmove.co.uk, www.findaproperty.com, www.primelocation.com and www.globrix.com. Unlike some portals, they feature



properties on an extensive range of partner sites as well as their own. This approach opens up a massive internet audience of people looking to rent your property.



THE RIGHT TENANTS

We have found from experience that a good relationship with tenants is the key to a smoothrunning tenancy. As Property Managers the relationship part is our job, but it is important that the tenants should feel comfortable in their temporary home, and that they are receiving value for their money. This is your job. Our policy of offering a service of quality and care therefore extends to our tenant applicants too, and we are pleased to recommend properties to rent that conform to certain minimum standards. Quality properties attract quality tenants.

Viewings

We always accompany prospective tenants who come to view an empty property. This is to ensure that we provide full details and answer any queries that the prospective tenant home or office (Just another feature of our fully interactive may raise. Security is of the utmost importance, therefore we hold concise information on all of our existing and prospective tenants. We would require one set of keys which will allow us to immediately react to any enquiry and in doing so to secure tenants for your property. Once a tenant has decided they would like to take your property, we will negotiate on your behalf a suitable let. You make the final decision on who rents your property and you base this decision on our professional recommendations bearing in mind your own specific requirements:

- Do they smoke?
- Do they have pets?
- For how long do they want the property?
- When can they move in?

These are just some of the questions that are asked when we select a tenant, therefore allowing you to make the final decision.

Feedback after viewings

It's important and helpful to know just what people think of your property. So whenever we arrange viewings, we'll do our best to ascertain their thoughts so that we can discuss any potential issues with you.

Referencing

Once suitable tenants are found, they complete an application, either in the office or online in the comfort of their website). Once a completed application is received we carry out a full credit assessment, which checks the prospective tenants credit history, associated addresses and Public records. We obtain an employment reference, which confirms income and length of employment and a previous landlord's reference if applicable. In some instances, e.g. in the case of younger tenants or where there is insufficient employment or UK financial history (e.g. of less than one year), it may be necessary to request the provision of a Guarantor who is prepared to undertake responsibility for the full amount of the rent should the tenants be unable to do so at any time during the tenancy. He/she will be required to co-sign the Tenancy Agreement and allow references to be taken on them. The cost of all credit search fees is paid by the tenant. Only once satisfactory references have been received, will the tenancy be allowed to commence.

Regular communication

At such an important time, you like to know what's going on. With your own personal point of contact, you'll never get overlooked. Instead, you'll feel very much part of the process, with updates and advice on hand throughout.





THE LEGAL PAPERWORK

You can rely on us to handle the legal side. The legalities of letting your home can be confusing. We know exactly what's what- and we'll smooth the way for you.

Tenancy Agreement

The Tenancy Agreement is a legally binding document and is drawn up to protect your rights to possession as well as detailing your responsibilities as a landlord and the tenants responsibilities. If you are in any doubt over its contents please do not hesitate to contact us. We use our own Tenancy Agreement except when a Company or Relocation Agency requires the use of their own. The Agreement will usually be an Assured Shorthold Tenancy and will detail the length of the Tenancy, the amount of rent due and payment dates, inclusions, exclusions and anything else agreed, such as gardening services included, break clauses etc, as well as many 'standard' clauses required for the type of Tenancy involved.

Drafting of tenancy agreements

Your protection as the property owner is always our main consideration. We'll safeguard your rights according to the Housing Act 1988 and other statutes. This means your rights to possession at the end of the agreement are assured and What is it? the tenant is obliged to take care of your property.

Renewal negotiations

We know that many tenants are happy to stay in a property for several years. When this happens, we make sure that it always suits you. So we'll review rent, deposits, the length of the agreement and any other factors - as you wish. Then, of course, we'll take care of all the paperwork.

Stamp Duty Land Tax

Under the Finance Act 2003, which came into effect from 1 December 2003, the landlord no longer has any liability for Stamp Duty on any Lease created for a Residential Letting after that date. Where applicable, the sole responsibility for the payment of the Stamp Duty Land Tax, which was introduced under the Finance Act 2003, is placed on the tenant.

The Tenants Deposit

The deposit will be payable by the tenant before the Tenancy starts. The deposit is the equivalent of one months rent plus £200 and is usually held by Preferential Properties on behalf of the tenant as 'Stakeholders'. The first month's rent and the deposit are payable in advance by the tenant and will be collected by Preferential Properties prior to the start of the tenancy. We will deduct our fees from this, together with any other costs incurred, such as the preparation of the inventory. The balance will then be forwarded to you.

Tenancy Deposit Scheme for Regulated Agents (TDS)

Membership of the Tenancy Deposit Scheme (TDS) gives assurance to the tenants that they are dealing with a reputable company and reputable landlords! You may have heard many stories or even experienced nightmare stories of roque landlords and agent keepings deposits unfairly.

The TDS has been developed to ensure that deposits held by regulated Agents are protected, and that disputes about their return are resolved quickly, inexpensively and impartially. Under the scheme, deposits will be protected during the tenancy and returned promptly at the end where there is no dispute. In the event of a dispute, the return of the deposit will be dealt with fairly by an Independent Complaints Examiner (ICE) who acts as a third party independent adjudicator and who will make their decision quickly and with no unnecessary delays. Under new legislation, implemented in April 2007, it is illegal for an agent or landlord to hold a tenants deposit unless they are members of a scheme such as the TDS. The scheme is only available to Regulated Agents who are members of an approved body and covered by a recognised bonding scheme which protects and insures money held on behalf of landlords and tenants.



GENERAL INFORMATION FOR LANDLORDS

Before a property can be let, there are several matters that you, will need to deal with to ensure the tenancy runs smoothly, and to ensure that you comply with the law. Whilst this list is not exhaustive should you have any concerns then we will happy to advise further.

Mortgage

If your property is mortgaged, you should obtain your mortgage lender's written consent to the letting. They may require additional clauses in the tenancy agreement of which you must inform us. All parties noted on the mortgage agreement must sign the letting contract.

Leaseholds

If you are a leaseholder, you should check the terms of your lease, and obtain the necessary written consent before letting.

Sub-letting

Insurance

You should ensure that you are suitably covered for letting under both your buildings and contents insurance. As a landlord vou need to advise vour buildings insurer that the property is to be occupied by tenants. The tenant will be responsible for insuring their own belongings but you should maintain cover for any contents you are leaving at the property. We can provide information on Landlord's Legal Protection, Rental Income Guarantee, Buildings and Contents insurance if required. If you would like more information on insurance products and services that are designed specifically for landlords, please call us and we can send you a brochure.

Bills and regular outgoings

We recommend that you arrange for regular outgoings e.g. mortgage, service charges, maintenance contracts etc., to be paid by standing order or direct debit. However, where we are managing the property, and by prior written agreement, we can make payment of certain bills on your behalf, provided such bills are received in your name at our office, and that sufficient funds are held to your credit.

The inventory

It is most important that an inventory of contents and schedule of condition be prepared in order to avoid misunderstanding or dispute at the end of a tenancy. Without such safeguards, it will be impossible for you to prove any loss, damage, or significant deterioration of the property or contents. The inventory is a detailed document that will highlight not just the contents of the property, but also the condition and cleanliness of the property and its contents at the start of the tenancy. We would always advise having an inventory of the property, whether it be furnished or unfurnished to avoid any unnecessary disputes regarding the condition and contents If you are a tenant yourself, you will require your landlord's consent. of the property at the end of the tenancy. At Preferential Properties all of our inventories are carried out by a qualified member of staff who is a registered member of the Association of Inventory Providers, to ensure that they conform to current industry standards.

Where you, the landlord, are resident in the UK, it is entirely your responsibility to inform the Inland Revenue of rental income received, and to pay any tax due. The Inland Revenue state that income from property is subject to taxation at standard rates, and your expenses in letting the property are generally tax deductible (these often can include mortgage interest payments, but will exclude capital expenditure, such as furniture/appliances etc.). You will need to tell the Tax Authorities that you are renting out your property. We can offer general guidance, however, we strongly advise you instruct an accountant if you are uncertain in any way. However, where you are resident outside the UK during a tenancy, under rules effective from 6 April 1996, unless an exemption certificate is held, we, as your agents, are obliged to retain and forward to the Inland Revenue on a quarterly basis, an amount equal to the basic rate of income tax from rental received, less certain expenses. An application form for exemption from such deductions is available from ourselves, and further information may be obtained from the Inland Revenue. For full details log onto www.hmrc.gov.uk/cnr.

GENERAL INFORMATION FOR LANDLORDS

Non UK Resident landlords

If you will be living overseas you must complete an Inland Revenue NRL1 form (available from us) to enable an agent collecting rent on your behalf to transfer this rent on to you without deducting tax at basic rate. Please ask us for more information.

Capital Gains Tax

Again the position varies according to circumstances and we recommend an accountant is consulted for the correct advice.

Deductable expenses

Generally, expenses must be of a non-capital nature and incurred wholly and exclusively for the purposes of letting the property. This is a statutory definition and a practical interpretation is sometimes difficult. Common items of allowable expenditure are:

- Letting agents' fees.
- Tax advisors' fees for preparing an annual letting account and agreeing liabilities with the Inland Revenue.
- Usual maintenance of the property including repairs, although not, generally speaking, repairs which amount to improvements.
- Water rates, Council Tax, ground rents, insurances, service charges and inventory costs.
- A 10% wear and tear allowance if the property is let furnished.
- Legal fees for drawing up a lease of less than a year.
- Interest payable on a loan to purchase, improve or make alterations to let a property.

Personal Allowances and Rates of Tax

- All UK resident landlords are entitled to personal tax allowances. In practice, these will often be used against other sources of income before letting income.
- Many non-resident landlords are also entitled to personal allowances including Commonwealth citizens and citizens of the European Union.
- The net profit, after accounting for personal allowances, is taxed at an individual's marginal rate of tax. Rental income does not qualify for the special 10% rate applied to most forms of investment income.
- A husband and wife should consider in whose name let property should be owned to ensure the most efficient use of personal allowances and the lower rate bands of tax.

Pets

Almost half the UK population own a pet, yet many landlords are reluctant to accept pets! According to research by The Dogs Trust, some 78% of pet owners reported that they had experienced difficulty finding rented accommodation that would accept pets. However, if you are a landlord, agreeing to accept pets can help you maximise your return on investment for the following reasons:

- Your pool of prospective tenants is almost doubled! You are therefore likely to let your property quickly and avoid void periods.
- Pet owners will often pay a larger deposit or sizeable "pet premium" due to the scarcity of properties that accept pets
- Pet owners are more likely to stay longer in a property and accept they may need to cover additional cleaning costs when they leave.

A blanket ban on pet ownership by tenants is actually regarded as an "unfair term" by the OFT, and there is no reason why most pets cannot be accommodated within the existing terms of the lease (which already provides for "no damage"). Obviously goldfish, budgies and hamsters are unlikely to cause a problem, but landlords can worry about cats and dogs.

Prior to marketing your property, we will discuss your thoughts on whether pets will be permitted, and it will be up to you as to whether you wish to accept them.



LEGISLATIVE COMPLIANCE

Being a landlord in the United Kingdom attaches you to numerous legal obligations and you must comply with government-imposed guidelines when dealing with tenants. In recent years there has been a rapid increase in the number of residential landlords and the legal requirements which are attached to that title often catch people by surprise. By using the services of a regulated Letting Agent we can ensure you are fully compliant with all the regulations.

Energy Performance Certificates (EPC)

An EPC is required for any dwelling offered to let as of the 1st October 2008. The EPC used in these circumstances can be up to 10 years old, though if a newer EPC is produced for the property only the latter is valid. The EPC must be made available for any home, free of charge, to a prospective tenant from the 1 October 2008, at the earliest opportunity and in any event where any of the following events happens:

- When the home is viewed (even if that means providing the EPC before any written information or particulars are provided).
- If written information about the home is provided as a result of a request by a prospective tenant.
- Before the tenant signs a contract to rent the home.

It is not placing a property on the market that defines the point at which an EPC must be available, but any of the circumstances listed above. The landlord is the 'relevant person' under EPC legislation and is responsible for making the EPC available, although Preferential Properties Ltd, will ensure that the EPC is made available to the prospective applicant on your behalf. Where a tenant is in occupation before the 1st October 2008 and continues to be in occupation after this date an EPC is not required. If at a later point the tenant changes, an EPC will be required to show prospective tenants.

Important safety regulations

There are a number of safety requirements that are the responsibility of you, the landlord, and where we are to manage the property, they are also ours as agents. Therefore to protect all interests we ensure full compliance with the appropriate regulations, and you are expected to meet all necessary costs.

THE GAS SAFETY (INSTALLATION AND USE) REGULATIONS 1998

Landlords are responsible for ensuring that appliances and

pipe work in tenanted premises are maintained in good order and in a safe condition so as to prevent risk or injury to any person. The Regulations require that the appliances and pipe work are checked for safety by a Gas Safe registered contractor prior to the commencement of a tenancy and every 12 months thereafter. A record of the safety check must be supplied to the tenant and a copy kept by the landlord and/or his Managing Agent for at least two years. Where we are instructed to manage a property, we will accordingly arrange for a gas safety check to be conducted at the commencement of any tenancy (unless a current Gas Safety Record is available) and every 12 months thereafter. All contractors charges will be payable by the landlord. For properties not under our Management Service, we require a copy of the current and all subsequent Gas Safety Records. If required we will instruct a Gas Safe registered contractor to attend the property and deduct the contractor's fee from rental monies received.

THE ELECTRICAL EQUIPMENT (SAFETY) REGULATIONS 1994

Landlords must ensure that ALL electrical appliances and the electrical supply is 'safe' and will not cause 'danger'. From 1st January 1997, all new electrical appliances must carry a 'CE' mark and instruction booklets or clear working instructions must be provided. Newly installed plugs and sockets must also comply with regulations. Confirmation that inspections have been regularly undertaken could be requested, although no specific time-scale is given, nor is there any requirement for inspections to be made by members of specific bodies, other than the person is competent. We recommend that an inspection is undertaken prior to the commencement of a tenancy and at regular intervals thereafter. We can arrange this for an administration fee plus the contractors charge. (The administration fee will not apply for properties under our Management Service).

LEGISLATIVE COMPLIANCE

SECTION 2A LANDLORDS AND TENANT ACT 1985

The Landlords and Tenants Act 1985 requires that the electrical installation in a rented property is:

- safe when a tenancy begins and
- maintained in a safe condition throughout the tenancy. The Landlords and Tenants Act 1985 makes it an implied term of every tenancy that the landlord will 'keep in repair the structure and exterior' of the property and 'keep in repair and proper working order the installations in the dwelling-house for the supply of water, gas and electricity, and for sanitation, space heating and heating water. The landlord cannot make the tenant responsible for these repairs.

How does this affect you?

It is your responsibility to ensure the above requirement is met and continues to be met.

SECTION 2B HOUSING ACT 2004 (ENGLAND AND WALES)

The Housing Act 2004 (England and Wales) came into force in April 2006, introducing major changes to the way privately rented homes are assessed and regulated. One important change was the introduction of a new method of risk assessment for residential properties called the Housing, Health and Safety Rating System (HHSRS), A new licensing scheme for Houses in Multiple Occupation (HMO) was also introduced. The HHSRS replaced the previous Fitness Standard. Whereas the Fitness Standard focused on the structure of the building and the facilities provided, HHSRS is aimed at addressing the health impacts of poor housing. HHSRS has been developed to assess all hazards that may be present in a residential property and 'provide a safe and healthy environment for any potential occupiers or visitors'. From an electrical perspective this includes consideration of general lighting provision, socket-outlet provision, escape lighting (emergency lighting), automatic fire detection and electrical hazards for fixed wiring and portable electrical equipment. Guidance in relation to the HHSRS has been provided by Communities and Local Government (CLG) entitled: Housing Health and Safety Rating System Guidance for Landlords and Property Related Professionals and is available as a free download. In the CLG guidance, Section 23 (Electrical hazards) and Section 24 (Fire) provide information relating to the hazards associated with electrical installations and measures to lessen the likelihood of occurrence and reduce harm outcomes.

How does it affect you?

You must comply with the requirements of the Housing Act 2004, including identifying areas where work is required and carrying out any related remedial actions/work, before the local authority carries out an inspection. Should a health and safety problem be identified, the inspecting officer can take enforcement action against you.

SECTION 2D PART P OF THE BUILDING REGULATIONS (ENGLAND AND WALES)

In January 2005, the Government introduced electrical safety rules for dwellings into the Building Regulations for England and Wales. Because of this, most fixed electrical installation work carried out in homes must, by law, meet the Building Regulations. Part P states that 'reasonable provision shall be made in the design and installation of electrical installations in order to protect persons operating, maintaining or altering the installations from fire or injury'.

How does it affect you?

In domestic premises, apart from some types of minor work, all electrical work must either be notified to a building-control body (normally the local authority building control department) in advance of the work being started, or be carried out by an electrician who is registered with one of the Government-approved scheme providers.

The Electrical Equipment (Safety) Regulations 1994

If a landlord provides any electrical appliances as part of a tenancy, the Electrical Equipment (Safety) Regulations require him or her to ensure that the appliances are safe when first supplied. Although there is no specific requirement for portable appliance testing to be carried out in rented accommodation, the landlord is required to take reasonable steps to ensure that appliances such as electric kettles, fridges and washing machines provided as part of the tenancy agreement are safe. Portable appliance testing is one way of ensuring equipment is safe for continued use. Guidance from Communities and Local Government (CLG) indicates that when accommodation is re-let, the electrical appliances will be classed as being supplied to that tenant for the first time, and should therefore be re-checked.

LEGISLATIVE COMPLIANCE

How does it affect you?

You must ensure electrical equipment that you provide conforms to Electrical Equipment (Safety) Regulations 1994 and take reasonable steps to ensure ongoing safety.

SECTION 3 FIXED ELECTRICAL INSTALLATIONS

An electrical installation is made up of all the fixed electrical equipment that is supplied through the electricity meter. It includes the cables that are usually hidden in the fabric of the building (walls and ceilings), accessories (sockets, switches and light fittings), and the consumer unit (fusebox) that contains all the fuses or circuit-breakers. There are many things that contribute to the making of a 'good' electrical installation. For example, an electrical installation should have:

- enough sockets for the number of portable appliances likely to be used, in order to minimize the use of multi-socket adapters,
- covers in place to ensure that fingers cannot come in contact with live parts (broken or damaged switches and sockets should be replaced without delay),
- residual current device (RCD) protection where appropriate (an RCD provides additional protection against electric shock).
- satisfactory earthing arrangements (earthing ensures that a fuse or circuit-breaker will operate fast enough to clear an electrical fault before it can cause danger of electric shock or fire)
- satisfactory bonding arrangements (bonding ensures that any electric shock risk is minimized until the fault is cleared),
- enough circuits to avoid danger and minimize inconvenience in the event of a fault, and
- cables that are correctly selected in relation to their related fuse or circuit-breaker. Once an electrical installation is installed it cannot simply be ignored. Over time, and with the wear and tear of regular use, the installation will start to deteriorate. Connections can work loose (a potential fire hazard), people can be heavy-handed whilst plugging in items of equipment, and building and maintenance work can have a damaging effect on the wiring. You should carry out regular basic visual safety checks to ensure that the electrical inspections installation has none of the following hazards:
- broken accessories (such as sockets and light switches),
- signs of scorching around sockets due to overloading,
- overheating of electrical equipment usually detected by a strong, often fishlike, smell (such as lampholders fitted with the wrong lamps), and
- damaged cables to portable equipment or trailing cables/flexes.

In addition to regular basic visual safety checks, we would recommend that a Periodic Inspection Report (PIR) should also be carried out at regular intervals by a registered electrician that is approved to carry out Periodic Inspection Reporting.

FREQUENCY OF PERIODIC INSPECTIONS

For rented accommodation the ESC recommends that periodic inspection and testing is carried out at least every 5 years or on the change of tenancy.

Where a change of tenancy occurs after a short period (for example less than 6 months) of letting, a full periodic inspection and test may not be always be required. However, it is imperative that the landlord or a person acting on their behalf carries out an electrical safety inspection, prior to the property being relet. This inspection should include checks to ensure there are no broken or missing accessories, no accessible live parts, no signs of burning at accessories or electrical equipment and a manual test of any residual current devices.

SECTION 5 PORTABLE APPLIANCES Providing portable appliances

Before providing portable appliances to your tenant(s) you should check that each appliance at least has the CE Mark, which is the product manufacturer's claim that it meets all the requirements of European legislation. We recommend that appliances with additional safety marks, such as the British Standard Kitemark or the 'BEAB Approved' mark (which indicate that the equipment has been assessed by an independent body as meeting with the relevant product standard) are purchased, as these tend to provide greater assurance of electrical safety. It is also important to ensure the electrical installation is suitable for the equipment provided and the equipment provided is suitable for the conditions and location where it is likely to be used.



TENANTS HAVE MOVED IN, WHAT'S NEXT?

Whilst the first hurdle has now been overcome and your tenants have moved in, it is important to ensure that the property is effectively managed during the course of the tenancy, and that any issues that arise are dealt with in an efficient manner.

Utilities

Tenants are usually responsible for paying all the utilities – gas, electric, water, council tax and telephone. Preferential Properties will take meter readings at the check-in and depending on which package you choose, we will arrange for the transfer of the utilities (gas, electric, council tax and water), with the exception of telephone. We ask you to supply us with the details of the utility suppliers on our Landlord Information Sheet which we require you to complete prior to the start of the tenancy.

Inspections

Our management service includes inspections of the property at least four times a year during the tenancy. This is a general review and not an 'item by item' check, however it does provide us with an opportunity to assess the general condition of the property and highlight any maintenance issues that may need to be brought to your attention. It also gives us the chance to ensure that the tenant is maintaining the property to a satisfactory standard.

Rent collection

We closely monitor rental payments we receive once a property is let. If it becomes necessary, we will, of course, remind tenants of their responsibility and keep you informed, so that appropriate action can be taken to try and secure payment.

Prompt accounting & notification of payment

You'll never have to wonder whether your rent has been paid or not because if we don't collect the rent for your property - we'll tell you! Once we've received and allocated payment from the tenant, we guarantee you'll receive payment within 5 working days.

Maintenance and Repairs

Repairs are of course necessary to a property throughout the length of the tenancy, and you must be prepared for this eventuality. The repairs that arise may be of a minor nature, however, they may be to significant items such as cookers and boilers as they age and may even require replacement. It is our policy to inform the landlord of any items of maintenance or repairs as reported by the tenant. We will then take your instructions and if necessary we can make arrangements, on your behalf, to obtain estimates from our local contractors or contractors of your choice. We will agree in advance the level of responsibility you wish us to have in arranging repairs and replacements.

There are different legal obligations on all parties and we may need to instruct on the work immediately to prevent further damage to the property or health and safety risk to the tenants. In such circumstances we will report to you, but immediate action will be required and this will be discussed with you. It is also made clear to tenants that should they instruct a contractor without our approval then they may be liable for the full cost. Major repairs will of course be discussed with you first and if necessary we will obtain estimates for your approval.

Tenancy Review And Renewal

Approximately two months prior to the end of the tenancy we will write to the tenant, to enquire as to whether they would like to renew the tenancy. At this point, we can agree any revision to the rent before extending the tenancy. If the tenant plans to move out we will contact the landlord to confirm that the property can be re-marketed.



END OF THE TENANCY

An effective check out at the property is an often overlooked part of the tenancy process. The check out should be undertaken to ascertain any damage that may be the tenants' liability, as well as to determine the state of cleanliness of the property. Our experience enables us to distinguish avoidable dilapidation chargeable against the tenant's deposit from normal deterioration through fair wear and tear.

Move Out / Check Out

The first step involves arranging a check-out appointment with the outgoing tenant at the end of tenancy. A letter confirming the appointment will be sent to the tenant with 'notes for outgoing tenant's' detailing how the property should be prepared for the check-out procedure.

to any apparent damage done to part of a landlord's property, the landlord must take account of reasonable wear in the day to day usage of the property, and he/she must not expect over-compensation. Indeed, within reason, wear and tear is part of the cost of letting a property. In calculating any damages

The check out process involves a thorough examination of the properties cleanliness, décor, contents, fixtures, fittings and furnishings against the inventory at the start of the tenancy. Any additional information relating to major works carried out at the property or items added or removed during the tenancy will also be noted.

The tenant is then made aware of any potential areas where a reduction in the deposit may be incurred along with the reasons behind this.

A thorough report is then compiled room by room detailing any differences and attributing responsibility for any dilapidation's, damage, missing items and additions (allowing for fair wear and tear) and cleaning.

The check-out process also includes:

- A report on the cleanliness of the property will be made with specific attention paid to each major appliance and item of sanitary ware and where required responsibility will be assigned for any additional / professional cleaning required.
- obtaining forwarding addresses for all outgoing tenants.
 A full list of keys handed back by the outgoing tenant w
- A full list of keys handed back by the outgoing tenant will be made.
- A full list of utility readings will be compiled and where possible a list of service providers for the new incoming tenant.

Fair Wear and Tear

The terms "fair wear and tear" appears on most tenancy agreements. But what is fair to a landlord may not necessarily appear fair to a tenant, and vice versa. In general terms it is usually understood that fair wear and tear means that in regard

the landlord must take account of reasonable wear in the day to day usage of the property, and he/she must not expect over-compensation. Indeed, within reason, wear and tear is part of the cost of letting a property. In calculating any damages that do occur, the original age, quality and condition of any item at the commencement of the tenancy should be considered, along with the average expected useful life of the item, expected reasonable usage, number of occupants, and length of occupancy. There is certainly no legal right for a landlord to expect to have the property returned to him in the condition in which it was at the start of the tenancy, and the tenant's deposit should not be used to achieve this. If, for example a table is damaged, it would not be reasonable for the tenant to replace this with a new table, but with a similar one in terms of age and condition to the one damaged before it was broken. If the damage is repairable then a good repair should be acceptable. A small stain on a carpet should only cost the amount charged to remove the stain, not the cost of entire replacement. However, if replacement is necessary, the cost should be apportioned according to the age and expected lifespan of the item, using the following formula, where:

A=Cost to Replace eg £300
B=Actual age of item eg 4 years
C=Expected Normal Lifespan eg 10 years
D=Residual Lifespan (C-B) 6 years
E=Annual Depreciation (A/C) £30
Apportionment to tenant (DxE) £180

Generally, tenants are much more respectful of a landlord's property than is often expected, although good vetting procedures at the outset help. But accidents do happen and this is where the term "reasonable" can be very useful for landlord and tenant alike.



LANDLORD SERVICES

Preferential Properties provide a reliable and professional letting service to ensure you are getting the maximum return on your investment and that your property is well managed and being looked after by good tenants.

At Preferential Properties we strive to ensure that our fees are realistic and competitive. We believe that our flexible fee structure reflects our experience and expertise within the rental market and we will be happy to tailor our service to accommodate your budgetary expectations. We operate on a 'no let - no fee' basis but would prefer to visit the property before agreeing a specific fee structure.

We offer three types of letting service:

✓ Let Only Service

Leaving you in control of your property portfolio.

✓ Fully Managed Service

Gives you total peace of mind, covering every aspect of your property rental.

✓ Bespoke Managed Service

Allows you to choose the specific services that you would like us to undertake on your behalf. Your decision depends on whether you wish to remain in control of rent collection and inspections or leave the management of the letting entirely to us.

The tables on the following pages illustrate in detail what each of our services covers.

OUR LET ONLY SERVICE

V	Undertake market appraisal and offer advice on rental value
~	Marketing to include local newspapers and periodicals
V	Comprehensive Photographs of the Property
~	Your property will be included in window displays
	(in our high street office)
V	Web presence on the following sites:
	www.prefprop.com
	www.rightmove.co.uk
	www.primelocation.com
	www.findaproperty.com
	www.globrix.co.uk
~	Placing a 'To Let' board at the property
V	Circulation of property to let details to all registered applicants
~	Viewings – Accompanying prospective tenants
V	Advise immediately of any tenancy applications
~	Vetting of Potential Tenants
	(Interviewing and obtaining credit references and guarantors when necessary)
V	Carry out the Inventories
~	Carry out the Landlords Gas Safety Test
V	Carry out the Landlords Electrical Safety Test
~	Arranging the move-in of the tenant at the start of the tenancy
V	Collecting the first month's rent and deposit
~	Informing utility companies and local authorities of new tenant
V	Registration of Deposit Monies
	(compliant with the Tenancy Deposit Scheme)

OUR FULLY MANAGED SERVICE

non resident landlords

Includes ALL services from Let Only plus these additional services...

~	Collect the rent and pay it over to you by BACS transfer within 5 working
	days less our fees and expenses
~	Monitoring rent payments and alert you if the tenants fall behind or
	breach the tenancy agreement
~	Service of repossession notice
~	Quarterly statement of account, including full breakdown of fees and
	any relevant invoices
~	Quarterly property inspections carried out following the start of the
	tenancy and every 3 months thereafter
~	Provide an inspection report on your property
~	Co-ordinating minor repairs and settling invoices from rent received
~	Organising approved contractors to complete maintenance work on
	your behalf
~	Letter of intention 2 months prior to the end of the tenancy, this will allow
	us time to remarket the property if the tenant is leaving
~	Advise you when the tenancy is coming to an end and seek your
	instructions for re-letting the property
~	Organise the move out inspection
~	Managing the check-out process
~	Produce a detailed move out report at the end of the tenancy
~	Agree any dilapidations (over and above fair wear and tear) with
	tenants before releasing their deposit
V	Arrange any necessary cleaning and minor repairs deducting the cost
	from the tenant's deposit where applicable and agreed
~	Submit paperwork to TDS should there be any dispute regarding
	security deposit
~	Manage the Non resident landlord certification process with the
	Inland Revenue
~	Account to the Inland revenue for any tax held on behalf of

OUR BESPOKE MANAGED SERVICE

Can include ALL/ANY of the services from Let Only and Fully Managed plus these additional optional services...

~	Key holding service
~	Tenant Eviction Service including preparing Court paperwork
~	Arrange Rent Guarantee insurance
~	Provide Annual Statement of Account for tax purposes
~	Arrange quotes for replacement furniture and furnishings
~	Vacant Property Management
~	Manage planned/cyclical maintenance works



BUY TO LET INVESTMENT ADVICE

When you're thinking of investing in property, you can be sure that we'll provide all the advice and services to help you make it a success.

Investment Advice

Before you buy to let, you'll want to get an idea of what type of rental yield you can expect. With impressive local knowledge, we're ideally placed to advise and guide you. We can give you an idea of the number of similar properties in the local area and any other factors that may affect its rental Our professionalism is extremely important to us as we guide potential (for example, if décor needs updating or any refurbishment is required).

Furthermore, because we are affiliated to the NALS, of the way. Mortgage lenders look more favourably on Buy-to-Let propositions when they have assurances that a professional agent will manage the property. You can leave the practical issues to us. We understand the practical demands of being a landlord. You can rest assured that we'll take care of everything, from the moment you decide to let.

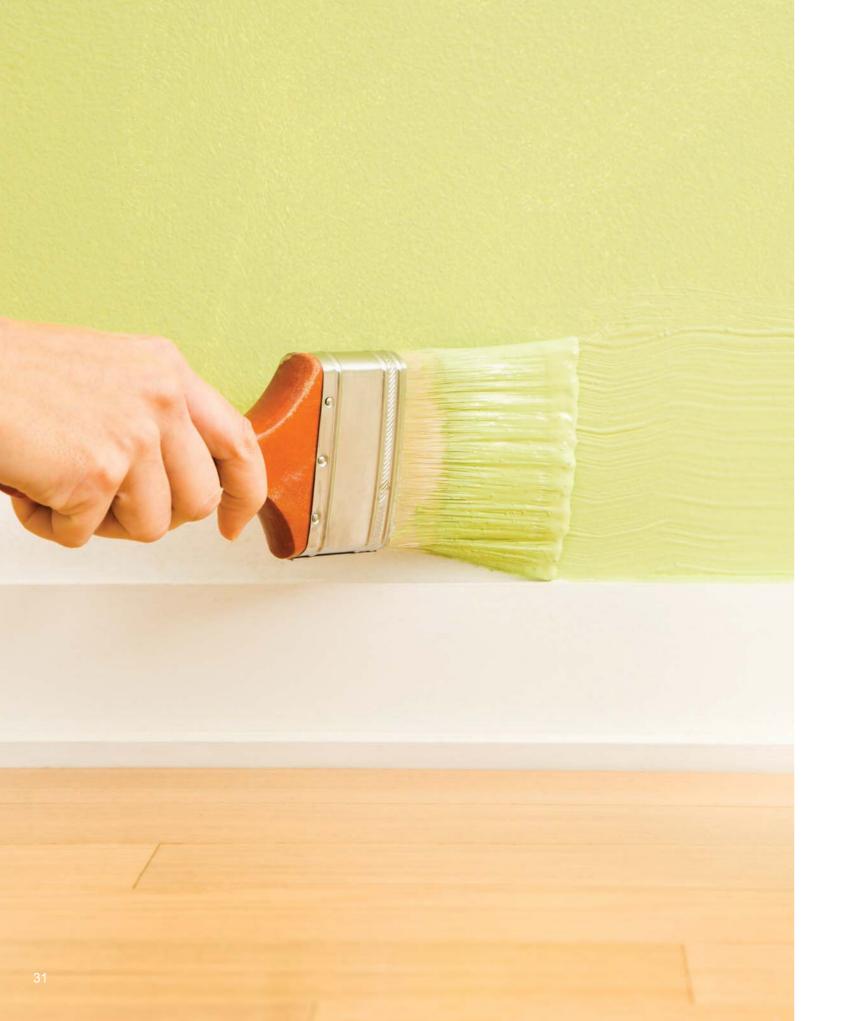
- Painting and decorating
- Deep clean
- Garden maintenance
- Major refurbishment

You're in safe hands

You want to know that we'll always follow the rules when we're letting your property. Our credentials offer you just the guarantee you'll want from an agent.

you through the letting process. So we are proud to be affiliated to the National Approved Lettings Scheme (NALS), and abide by their Codes of Professional Conduct every step





ASSET MANAGEMENT

Whilst it is important to ensure that routine repairs and maintenance are carried out as issues arise, we believe that it is important to keep an eye on cyclical maintenance issues as well.

This would include areas such as external redecoration, lettable condition. Whilst we will comment on these issues on these property issues in a planned way it can reduce the cost also be arranged. of responsive repairs, and keep your property in a good

boilers and heating systems, kitchen and bathroom our quarterly inspection reports, should you wish us to replacements, carpets replacement etc. Often by dealing with arrange quotes and oversee any necessary works this can





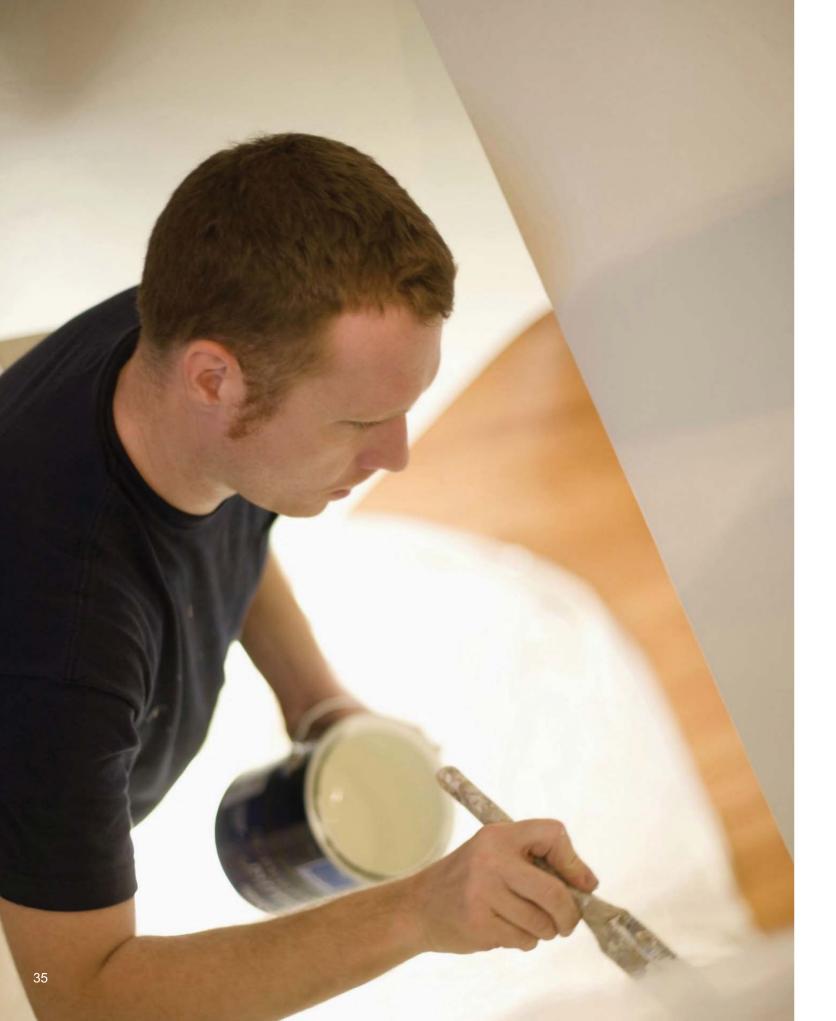
VACANT PROPERTY MANAGEMENT

You won't always be around to keep an eye on your property when there are no tenants living there. When this happens, we can arrange for regular cleaning and garden maintenance, as well as to turn the heat on for protection against the cold weather.

We can also administer the payment of bills for you. You'll appreciate our complete interior and exterior refurbishment service. We find that many professional tenants and relocation companies reject properties with tired decoration, kitchens and bathrooms or those with heating systems that do not meet modern day specifications. Bearing this in mind when you let, you may consider redecorating or refurbishing your property to make it more attractive to potential tenants. Our comprehensive refurbishment service is designed to help you decide what works should be undertaken and to

what standard. We'll arrange and oversee all internal and external decoration works, and replace carpets, flooring, bathroom suites, kitchen units and all fittings. We can also arrange the supply of all white goods. If any structural alterations are needed, our refurbishment service can help with the removal of walls, cavity wall insulation, replacing windows, plumbing and heating systems, and even reroofing. Once we have received your written instructions, we will prepare a schedule of works for your approval, and then obtain quotations for your consideration.





APPROVED CONTRACTORS

Ensuring repairs and maintenance are carried out by good quality contractors at a reasonable cost is fundamental to the service that we offer all our landlords. Over a period of time we have developed relationships with a range of contractors, who not only provide a cost effective service, but also provide a responsive service to ensure that repairs are dealt with in a timely and professional manner.

Carpet Cleaning EVA CLEAN

12 Welwyndale Road Wylde Green Sutton Coldfield B72 1AW

Peter Evans 07976 414725 peterevans@live.co.uk

Carpet / Vinyl and Laminates TOWER CARPETS

172-178 Gravelly Lane Erdington Birmingham B23 5SN

Mohammed 0121 373 3007

Cleaners GOODSELL DOMESTIC CLEANING

71 Hill Village Road Four Oaks Sutton Coldfield B75 5BH

Tracy Goodsell 0121 308 5296 07720 694591 tracygoodsell@tiscali.co.uk

Gas and Electrical Maintenance and Repairs CITY GAS AND ELECTRICAL SERVICES

19 Holte Drive Four Oaks Sutton Coldfield West Midlands B75 6PR

Tony Merlin 07872 925396 tony.merlin@blueyonder.co.uk

FOUR OAKS PLUMBING AND HEATING SERVICES

5 Bailye Close Lichfield Staffs WS13 8LD

David Moles 07767 494086 davidmoles47@hotmail.com

FREEDOM PLUMBING AND HEATING

12 Scarecrow Lane Sutton Coldfield West Midlands B75 5TU

Warren Jeffrey
0121 308 0808
07956 438 196
warren@freedomheating.net

Gas Repairs and Maintenance OLYMPIC GAS

95 Russell Bank Road

Four Oaks

Sutton Coldfield

West Midlands

B74 4RQ

Lee/Stuart

07956 477490

07956 593418

General Gardening maintenance A1 GARDENING SERVICES

17 Burton Road

Elford

Near Tamworth

B79 9BD

Nick Collins

01827 383906

07768 324113

nickcollinsa1@googlemail.com

M J MOWING

Church End Cottage

Packington Lane

Maxstoke

North Warwickshire

B46 2QP

Martin

01675 465 204

07922 241181

General Property MaintenanceBBT

179 Foley Road West

Streetly

Sutton Coldfield

West Midlands

B74 3NX

Claire/Christian

0800 9704 781

helpdesk@bbthome-contract.co.uk

M A EVANS PROPERTY MAINTENANCE

12 Kineton Road

Sutton Coldfield

West Midlands

B73 5DN

Mark Evans

0121 354 2878

07976 720897

homeimprovers@btinternet.com

TUDOR ROSE PLUMBING AND PROPERTY MAINTENANCE

249 Springfield Road

Sutton Coldfield

West Midlands

B75 7JN

Stuart Hindley

0121 378 3929

07957 361978

stuart@tudorroseplumbing.com

Kitchen appliance repair and replacement M & I DOMESTICS

13A St Johns Street

Lichfield

Staffs

WS13 6NU

Julia/lan

01543 411283

01543 417676

mni1@btconnect.com

Locksmith

ARDEN LOCKSMITHS

64 Jerrard Drive

Sutton Coldfield

West Midlands

B75 7TJ

Paul Arden

0121 682 3628

07790 779739

Oven Cleaning OVENMAN

48 Bickley Avenue

Four Oaks

Sutton Coldfield

West Midlands

B745DZ

Neville

0121 353 9293

07964 074505

cavern1@btinternet.com

oven.man@hotmail.co.uk

Painter and Decorator

KEVAN NASH

26 Pages Close

Sutton Coldfield

B757TA

Kevan Nash 07745644739

kev.nash@hotmail.co.uk

Pest Control

AMES

283 Vicarage Road Kings Heath

Birmingham B147NE

0121 443 1111 07962 142166

Roofing repairs and maintenance M BUTTS ROOFING LTD

161 Station Road

Sutton Coldfield

West Midlands

B73 5LD

Manning Butts

0121 355 7124 07967 728942

manning@buttsroofing.co.uk





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