

# LETTING

10 THINGS YOU SHOULD  
KNOW BEFORE YOU RENT  
OUT YOUR PROPERTY



# BEFORE YOU RENT OUT YOUR PROPERTY

urbanspaces

## It's a landlord's market

The residential lettings market is the strongest it's ever been! In the current economic climate renting is seen as a preferred investment for many people. However, the modern landlord frequently lacks the experience, knowledge and time needed to deal efficiently with their properties and tenants. Our letting experts have created this ebook to equip you with the key points you need to know about buying, preparing and letting a suitable investment property. In short, this is a comprehensive but concise guide for landlords who wish to avoid the risks involved in renting out a property. These tips can help you to find the right tenants for your property and ensure that your property complies with the extensive legislation affecting landlords in England and Wales, enabling you to enjoy the financial and personal rewards of letting a property.

## 1. The letting process

Successful landlords know the letting process like the back of their hand, but nobody is born a "knowledgeable landlord", they have learnt from experience. However you don't need to be an expert to make the lettings market work for you. There's enough information available in the public domain, and specialist estate agents are trained to guide you through the letting journey from start to finish. Here's a brief summary of the letting process:

- Step 1* Arrange a free valuation of your property
- Step 2* Select an estate agent and arrange an Energy Performance Certificate (EPC)
- Step 3* Agree a rental price
- Step 4* Consider property management
- Step 5* Make the most of your property. First impressions count so ensure your property is presented in the best possible light. For tips on how to do this visit [www.urbanspaces.co.uk](http://www.urbanspaces.co.uk)
- Step 6* Prepare your property for tenancy – organise for an inventory to be prepared and get ready to contact all relevant utility companies to advise them as soon as the property has been successfully rented out



- Step 7* Market your property – choose an estate agent with a fantastic marketing package included in the fee
- Step 8* Supervised viewings of your property take place
- Step 9* Offers are received
- Step 10* Agree an offer
- Step 11* A holding deposit is paid by the proposed tenant(s), the reference process starts and the gas safety certificate is organised
- Step 12* A tenancy agreement is drawn up
- Step 13* The remainder of the monies is paid by the tenant(s), i.e. the balance of the deposit plus rent in advance
- Step 14* Tenant(s) move into the property and check the inventory
- Step 15* The landlord must register and place the tenant's deposit in a tenancy deposit scheme (if relevant) within 30 days of the commencement of the tenancy
- Step 16* Responsibility for repairs and maintenance is handed over to a property management company (if relevant)

## 2. Know your target audience

If you are looking to buy a property in a particular location, it's important to thoroughly research the area to assess the type of tenants you are most likely to attract. This will help you identify the most suitable type of property to buy. If you have already decided on a particular type of tenant, find out where those tenants are most prevalent and buy an appropriate property in that area.

If you are starting from scratch, research which areas produce the best rental yields and consult local agents for advice on the type of tenants seeking accommodation within them.

## 3. Choosing the right letting agent

### Questions to ask when choosing your agent:

- Does your agent belong to the National Association of Estate Agents (NAEA)? The NAEA is the UK's leading professional body for estate agency. Its 10,000 members in the UK and overseas are bound by strict rules of conduct to ensure they offer you the highest level of integrity and service
- Are they a registered member of The Property Ombudsman scheme?
- Are they a member of the Tenancy Deposit Scheme?
- Do they have hundreds of tenants registered with them who are looking to move immediately?
- Do they operate outside office hours?
- Is an outstanding marketing package included in their fee?
- Do they organise specialist photography to present your property in its best possible light?
- How many visitors does their website attract each month?
- Do they advertise in prime spots on property portals?
- Do they offer a property management service?
- Are they award-winning?

*Urban Spaces has won eleven industry awards in the last two years, including the Customer Service for three years running, and Best Companies status for four years running.*



## 4. Consent to let

### Before letting your property you must:

- Obtain the consent of your mortgage lender
- Notify any relevant insurance companies of your intention to let the property
- Obtain the consent of the freeholder (this applies to leased properties only)
- Name any co-owners in the tenancy agreement and in any terms and conditions if the property is jointly owned

It may seem obvious, but if one of these factors is overlooked, it can throw a real spanner in the works. It's important to ensure that you have the correct documentation in place giving you permission to rent your property, prior to agreeing a moving-in date with a tenant.

## 5. Gas and electrical legislation

### Make sure you comply!

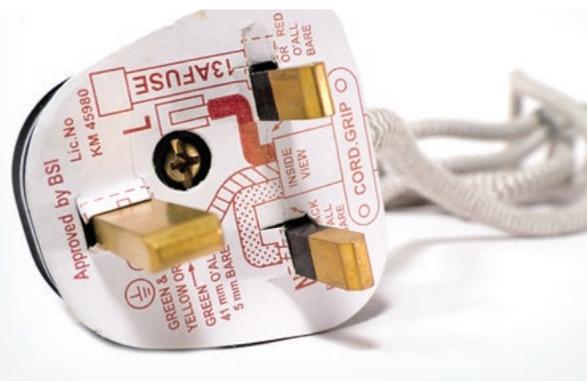
As a landlord letting property in England and Wales, you must comply with all current legislation. Failure to do so can lead to severe fines and in some cases imprisonment.

### Gas Safety

Any gas appliances in the property must be inspected before a tenant moves in, and annually thereafter, in compliance with Gas Safety (Installation and Use) Regulations 1998. A Gas Safe registered engineer must carry out this inspection. Your estate agent should be able to organise this on your behalf as part of their letting service.

### Electrical safety

Electrical appliances left in the property must be tested by a qualified engineer to assess their safety in compliance with the Electrical Equipment (Safety) Regulations 1994. Again, your estate agent should be able to organise this on your behalf as part of their letting service.



## 6. Fire & safety

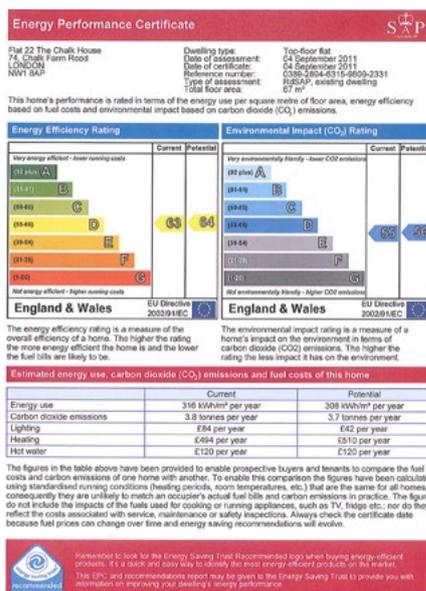
Before you let your property, you must examine all appliances and furnishings to ensure they meet the required standards. If necessary, you should repair or replace any fittings, equipment or appliances which are damaged, cracked, loose or defective to avoid injury or ill-health.

### The Furniture and Furnishings (Fire) (Safety) Regulations 1988

Furniture manufactured after 1988 must have the relevant safety labels attached prior to the property being let, in compliance with the 1988 regulations and their subsequent amendments. For guidance on compliance speak to our Property Management team [urbanspaces.co.uk/contact/urban-spaces](http://urbanspaces.co.uk/contact/urban-spaces)

## 7. EPC (Energy Performance Certificate)

Every property that is rented out requires an Energy Performance Certificate (EPC) and this should be prepared before marketing the property.



An EPC shows how energy efficient and environmentally friendly your property is on a scale of A-G, with A being the most efficient and therefore having the lowest fuel bills and making less impact on the environment through carbon dioxide (CO<sub>2</sub>) emissions.



An EPC also lists measures that will improve the energy and carbon emission rating of the property. It's worth noting that investing in energy-saving measures can make your property more attractive to tenants.

As of April 2016, new government regulations mean your tenants can request your consent to make energy improvements to the property at their expense and also from April 2018, Landlords will need to ensure that the EPC rating of the property is E or above for all tenancies starting after this date.

## 8. Prepare an inventory before the tenant moves in

Scrutinise the contents of the property thoroughly to assess the condition of each item. Record full details including the model and serial number, as well as the manufacturer, colour, shape and size. Make a note of when all electrical and gas appliances/fittings were last inspected and log the presence of all fire safety labels and their location. Create duplicate copies of the inventory document, ensuring that there is enough space for the tenants to write their comments on the day of entry.

It's also worth taking photographs of the interior and exterior of the property to record its condition. If you are short of time, it can be beneficial to employ an independent inventory clerk to assist you.



## 9. Tenancy deposit scheme

For your peace of mind, your estate agent is able to hold the tenant's deposit (usually six weeks rent), which can be used at the end of the tenancy to pay for any damage to the property. The deposit will be registered with a recognised deposit protection scheme, in accordance with The Housing Act legislation, within 30 days. This will ensure that any disputes between you and your tenant or agent will be easier to resolve. Further information can be found at:

### **The Tenancy Deposit Scheme**

[www.tds.gb.com](http://www.tds.gb.com) T: 0845 226 7837

### **The Deposit Protection Service**

[www.depositprotection.com](http://www.depositprotection.com) T: 0844 472 7000

### **Tenancy Deposit Solutions Limited**

[www.mydeposits.co.uk](http://www.mydeposits.co.uk) T: 0844 980 0290

## 10. Ombudsman Scheme

For your financial and legal security, choose an agent that is affiliated to The Property Ombudsman (TPO). This scheme provides a free, fair and independent service for dealing with unresolved disputes between member agents and tenants and landlords of property in the UK. Member agents must follow The Property Ombudsman Letting Code of Practice. This sets out the framework within which member agents must operate and the standards of service they must provide for both tenants and landlords.

---

For more information about buying, selling or letting your home, contact one of our dedicated Account Managers.

### **URBAN SPACES**

t: 020 7251 4000

e: [clientservices@urbanspaces.co.uk](mailto:clientservices@urbanspaces.co.uk)

[urbanspaces.co.uk](http://urbanspaces.co.uk)