

## LANDLORD GUIDE

We understand that letting your property may be a new venture for you. The following information is intended as a useful reference point and a guide to the services that Patrick Gardner & Co Lettings Limited (PGCLL) provide and is to be read in-conjunction with our Terms of Business. We hope that new and existing Landlords will find this helpful.

If there are any items that are not covered or that you would like to discuss in greater detail, please do not hesitate to contact us.

- Leading independent agency with four local branches
- Professional and experienced advisors with over 80 years lettings experience in our Leatherhead office alone
- Fully qualified members of ARLA (Association of Residential Lettings Agents) with at least one fully qualified member in every office and department
- Member of the Property Ombudsman Redress Scheme
- Protected by Propertymark Client Money Protection
- Trusted Leatherhead based property management team with a network of reliable local tradesmen



## **LETTING YOUR PROPERTY**

### **How do we appraise your property?**

After an individual market appraisal, a rental figure will be agreed based on the size, condition of, and location of your property, taking into account current market conditions. We can also advise on any improvements or alterations that could be made to help maximise your property's rental potential.

### **How do we market your property?**

Our highly effective marketing service offers:

- Four local offices, with prominent windows and dedicated, experienced lettings staff;
- To Let boards (where appropriate);
- Property details with colour photographs, detailed descriptions, measurements and floorplans;
- Internet advertising – our own website and the major property portals;
- Well established links with local employers and relocation agents;
- Large database of pre-screened applicants.

### **What levels of service do you offer?**

There are different levels of service that can be offered, depending on the Landlords' individual requirements:

- Let with rent collection
- Full management

This list is, of course, not exhaustive and we are happy to tailor our service to each Landlord's individual requirements. The fee charged is dependent on the level of service chosen. See Schedule of Fees attached.

### **Are viewings accompanied?**

We are always available to accompany viewings, or, where appropriate, organise a mutually convenient time for applicants to view outside office hours.

### **How do I ensure I get the best Tenants for the property?**

This begins with an initial registration interview with the prospective Tenant where we can assess their affordability suitability and their requirements. Once an applicant has registered an interest in your property, we will negotiate terms on your behalf to maximise your rental income. When agreement has been reached, a credit check and comprehensive Tenant's reference will be carried out by an independent company and a written report issued. We will advise where additional security is required and can arrange for a guarantor to also be credit referenced. The cost of these checks is borne by the Landlord. As part of the referencing process we will also carry out the Government's Right to Rent checks which involves checking passports, any visas/biometric residence permits and proof of address against Home Office requirements.

### **Negotiation of offers**

We will negotiate the initial terms of the lease including price and length of term. This is then followed by the negotiation of any special terms, pre tenancy conditions, these will then be drafted for inclusion in the tenancy agreement.

### **Tenant references**

We instruct a professional referencing company on your behalf to carry out the tenant referencing process. This will include current and previous landlord references (where appropriate), employment references (or accountant or company accounts), a credit check and confirmation of identity. If the tenant is unable to provide suitable references to satisfy the referencing requirements it may be necessary to elect a guarantor to stand for the tenant. We require that they are a UK based home owner and they will be referenced in the same way as the proposed tenant.

### **What sort of tenancy agreement will I require?**

Once a satisfactory credit reference is in place the tenancy agreement (TA) will be drawn up. Tenancy agreements vary and we will advise as to the most appropriate agreement for each tenancy and ensure it is up to date with current legislation. We do everything that we can to tailor the TA to your requirements but be advised we are property professionals, not lawyers, and there may be occasions where we recommend you obtain your own specialist legal advice. If you choose to use your own tenancy agreement we are unable to accept liability for the validity of the content. The contract we produce is regularly checked by a property lawyer to ensure it remains up to date with current legislation and case law.

#### **Assured Shorthold Tenancy Agreement (AST)**

ASTs are applicable for most tenancies with an annual rent of less than £100,000 per annum. The tenancies are heavily regulated and there are a number of statutory requirements to be aware of.

#### **High Rent Tenancy**

A contract outside the statutory regimes and is instead governed by Common Law where the annual rent is in excess of £100,000 per annum.

#### **Company Let**

A Company Let is also outside the Housing Act and regulated under Common Law usually for the occupation of a company employee. The company is referenced rather than the individual and sometimes letters of guarantee are offered instead of deposits.

### **Renewal or Extension of a Tenancy**

Each and every time a Tenancy is renewed or extended, or if an 'Option to Renew' is exercised (where the parties have agreed a potential extension at the start of the tenancy), whether or not negotiated by us, our fees and other charges will be as for a new let. The fees and other charges are due at the commencement of each and every renewal and/or extension period, whether or not rent has been received.

We advise renewing tenancies on an annual basis to ensure rent reviews take place and contracts are regularly updated.

### **Deemed Renewal or Extension of the Tenancy**

Where a Tenant remains in the property beyond the agreed Tenancy period, but has not renewed or extended the Tenancy Agreement, the Tenancy will be deemed to be renewed as a Periodic Tenancy or extended for the same period as the original Tenancy and our fees and any other charges will be as for a new let.

### **What condition will my tenant expect the property to be in at the start of the tenancy?**

At the commencement of the Tenancy the property must be well maintained, cleaned to a professional standard and meet the required standards for letting.

The Landlord is obliged by law to ensure that the property is fit for human habitation and will be so maintained during the period of the Tenancy Agreement (Homes (Fitness for Human Habitation) Act 2018). The Landlord agrees to accept responsibility for any liability under the Defective Premises Act 1972 in relation to the property, or any part thereof and agrees to indemnify us fully in the event of any claim made in this respect.

Should the Landlord fail to meet these obligations we reserve the right to instruct contractors and deduct any costs incurred from rent received including any Administration Charges that apply. The following website may assist you in preparing your property:

[www.gov.uk/government/publications/homes-fitness-for-human-habitation-act-2018](http://www.gov.uk/government/publications/homes-fitness-for-human-habitation-act-2018)

### **What qualifies as an unfurnished and furnished property?**

A generally accepted definition of 'Unfurnished' is a property where white goods and window coverings (curtains or blinds) are provided. Our definition of 'Furnished' is a property where white goods, window coverings, basic furniture such as sofas, dining table and chairs, coffee table, beds, bedside tables and wardrobes are provided. All personal items must be removed including pictures, ornaments, cutlery, crockery, cookware and small electrical items. Please ask for our advice if there are any items you are unsure about.

### **Do I need an inventory for an unfurnished property?**

An inventory or statement of condition is essential whether the property is unfurnished or furnished. The inventory is produced by an independent inventory company and provides a schedule of condition for the property including walls, floors, doors, light fitting, furnishings, bathroom and kitchen fittings and lists any appliances or furnished items.

The inventory procedure has three stages:

- 1) Preparation of the inventory, during which the inventory clerk will visit the property and prepare the report prior to occupation;
- 2) Check-in at the commencement of the tenancy including taking meter readings;
- 3) Check-out at the end of the tenancy, noting any changes or damages as well as professional opinion on wear and tear or maintenance issues as well as outgoing meter readings.

At the end of the Tenancy, we will arrange a check-out and the report will be returned to our Property Management department for managed properties and sent directly to

the landlord for non-managed properties. The inventory is essential for any claim made on the Tenant's deposit for damages or cleaning issues at the end of the tenancy. All inventory costs are the responsibility of the Landlord.

### **How is my rent collected and processed?**

We provide the tenants with the necessary bank details to set up a monthly standing order to leave their account 2 days before the rent due date to ensure it arrives on time. We process all rents on their due date and will then remit to you via Bacs payment, we run our Bacs payments twice weekly. In the case of bank and public holidays we will process all rents on the next working day. For the avoidance of doubt our fees remain due for the period of the tenancy whether or not the rent has been received.

### **Who pays for the utilities?**

Electricity, gas, water, telephone and council tax charges are usually borne by the Tenant. On all managed properties, PGCLL will deal with the utility companies when Tenants check in and check out. It is good practice to leave a live telephone line so Tenants may arrange their own service provider for telephone and broadband. The inventory company will record the meter readings at check in and out.

### **What appliances should I leave?**

All appliances are usually left as part of an unfurnished tenancy. If maintenance contracts are taken out, details of the policy should be given to our Property Management department (for managed properties) and to the Tenant via PGCLL prior to the commencement of the tenancy. Operating manuals and guarantees must also be made available in the property to ensure Tenants are aware of the correct operating instructions in order to save unnecessary call-outs. The central heating, burglar and carbon monoxide/smoke alarms should be checked and serviced before the Tenant occupies the property. Any working, open fireplaces need to be swept prior to the beginning of the tenancy and a copy of the receipt provided to the new Tenant via PGCLL.

### **Can I retain any of the storage spaces in the property?**

Unless agreed otherwise, and detailed in the tenancy agreement, the Tenant will have the right to use the entire property for the term of the tenancy including lofts and outbuildings. We recommend that all items of value and items which the Tenants do not have the use of are removed from the property. If the Landlord wishes to leave items agreed in advance in storage at the property they should be insured, listed and the condition noted. The inventory companies will not enter roof spaces; they will photograph garages but will not document the contents other than appliances.

It is not recommended under any circumstances storage areas are left locked as access is often required in cases of emergency. Access may be needed in order to get to water tanks, pipeworks or electrical circuits.

### **What deposit will the Tenant pay?**

Prior to the date of occupancy, the Tenant will be required to deposit funds equivalent to five weeks rent, which will be held in accordance with the regulations of the **Tenancy Deposit Scheme** until the end of the tenancy. Current legislation requires all deposits to be registered with a recognised scheme. The deposit is held to cover any

dilapidations that may occur during the tenancy, as noted on the inventory check-in and out reports.

PGCLL is a member of the Tenancy Deposit Scheme, which is administered by:

**Tenancy Deposit Scheme**  
**The Dispute Service Ltd PO Box 1255**  
**Hemel Hempstead Herts HP1 9GN**

**Phone 0300 037 1000      Fax 01442 253193**  
**Web [www.tenancydepositscheme.com](http://www.tenancydepositscheme.com)**  
**Email [deposits@tds.gb.com](mailto:deposits@tds.gb.com)**

### **How is the deposit held?**

PGCLL hold tenancy deposits as stakeholder. Deposits will be disbursed in accordance with our standard procedures and, where the Tenancy is an AST, the requirements of the Tenancy Deposit Scheme (TDS).

### **What happens to the deposit at the end of the tenancy?**

In the case of no dispute, the deposit will be returned in full to the Tenants. If monies are to be retained, and a figure has been agreed by both parties, the deducted amount will be returned to the relevant party according to the condition of the Tenancy Agreement. Payment of the deposit will be made within 10 calendar days of written consent from both parties.

Where there is a dispute, the Tenant or Landlord may apply to the TDS for the adjudication. The statutory rights of either the Landlord or the Tenant(s) to take legal action against the other party remain unaffected. When PGCLL are notified that a dispute has been registered with the TDS, we are required to remit to The Dispute Service Ltd the full deposit (less any amounts already agreed by the parties and paid over to them), within 10 calendar days. We are required to co-operate with the TDS in the adjudication of the dispute and follow any directions concerning the method of the resolution.

### **Can you pay property-related bills on my behalf? (managed properties only)**

Yes, we can pay property-related bills (with the exception of mortgage payments) on your behalf and account to you on your rental statement. We are unable to make payments without full funds on account. We retain a working float where a rent is paid monthly, with an increased float to be retained when a rent paid quarterly/biannually or annually. The amount of the reserve shall be at the discretion of our relevant Property Manager in accordance with the requirements of the property and will not be less than £200.

We cannot instruct contractors on your behalf unless we are in funds. If a situation arises that requires funds above the float held one of our property managers will call you to arrange an alternative payment. Please note that where you require a check out at the end of the tenancy a reserve will be raised accordingly at the point where it is identified that a Tenant will not be renewing their tenancy with you.

### **How do you engage a contractor? (managed properties only)**

All contractors, whether arranged by us or by the Landlord are engaged on behalf of the Landlord. The resulting contract is between the Landlord and the Contractor. PGCLL is not a party to that contract. If the Landlord requires us to engage particular contractors, full details must be provided. These contractors must be suitably qualified. PGCLL is in no way responsible for contractors meeting their obligations.

We reserve the right to use our own contractors if, after reasonable enquiry, the Landlord's preferred contractors are unavailable, or in cases of emergency where we have to act as Agent of Necessity (see below). All contractors are required to be appropriately qualified, certified and insured.

We can accept no responsibility for any private arrangements made between the Landlord and their preferred contractor, or their failure to undertake works.

### **What's an Agent of Necessity?**

If the Landlord is unavailable or after reasonable enquiry we are unable to contact the Landlord, we reserve the right to arrange works without notice to ensure that the property meets statutory requirements, Health and Safety regulations, and complies with best practice. If we are required to act as an Agent of Necessity, the Landlord undertakes to fully reimburse us upon demand for all costs incurred.

### **How are costs covered?**

You agree to reimburse us for any reasonable sums expended on your behalf and not covered elsewhere in this agreement. You will also reimburse us in respect of any loss incurred by us as a result of any act, omission, or representation made by you, or by someone on your behalf, or in the event that you have provided false or erroneous information. In the unlikely event that a payment we have made to you is incorrect or is recalled from our client account by a bank or institution, you agree that you will reimburse us the sum on demand.

### **What happens outside of office hours? (managed properties only)**

Tenants calling us to report an emergency repair outside of office hours will be directed to our answering service, which will provide them with details of a contractor(s) who covers the area for emergency repairs.

PGCLL emergency contractors have been designated as such and are aware of those situations which constitute a genuine emergency rather than an inconvenience. They will take the minimum action required to make the property and Tenant safe and minimise damage.

In the event that an emergency repair is required, we will notify the Landlord and the resultant invoice will be paid from the Landlord's management reserve or incoming rent. Where we do not hold sufficient funds to pay the invoice, the Landlord will be asked to provide these and undertakes to reimburse PGCLL for any costs incurred in this regard on their behalf.

Should the Landlord hold a maintenance contract for the property or any of the fixtures and this covers emergency repairs e.g. a British Gas Homecare agreement, the Landlord is responsible for ensuring that the Tenant and PGCLL are provided with full details of the policy. PGCLL will not be liable for an emergency call out invoice where the Landlord cannot demonstrate that the Landlord has provided the Tenant with full information of a maintenance contract or any alternative arrangements. Should the Tenant not follow instructions provided and call out PGCLL emergency contractor contrary to these, PGCLL will not be liable for any resultant invoice. The Landlord



undertakes to pay the contractor for services supplied and may wish to seek to reclaim this sum from the Tenant via a payment from them or via the deposit at the end of the tenancy.

In the event that a Tenant in a non-managed property calls out one of PGCLL's emergency contractors, the Landlord will be provided with a copy of the invoice and will be responsible for the charge. We will either deduct from incoming rent or ask that the Landlord send the required funds.

### **How frequently do you visit managed properties?**

We usually offer two visits to your property per year, one within the first 3 months of the tenancy, and 6 months thereafter as appropriate. A written report will follow (usually by email). Additional visits can be arranged by request. We cannot carry out inspections for latent, inherent or structural problems.

Visits are not carried out by surveyors and they do not form part of any inventory check and PGCLL will accept no responsibility in this regard.

### **Do you offer a vacant property management service?**

Yes. We will make visits to the property, during which we will clear post, marketing materials, newspapers etc. The frequency of the visits will be determined by the client, who must provide us with a schedule of required visits to enable us to diarise these in advance. A short report will be produced and e-mailed to you.

Most household insurance policies are invalid unless the property is visited at least once a fortnight. The insurance company must be informed if the property is to be vacant for more than 21 consecutive days. This notification is strictly the Landlord's responsibility.

Any tasks additional to those outlined above will incur additional charges. We reserve the right to increase these charges and will give the Landlord one month's written notice if we intend to do so.

### **What happens if a Tenant is in breach of their agreement?**

Should we become aware of any breaches of the Tenancy Agreement, including non-payment of rent, you will be informed accordingly. We will always endeavour to remedy any breaches with the tenants. If it becomes necessary to take action, you will be responsible for instructing your solicitor and payment of all fees arising. If we are required to attend Court on your behalf, there will be an additional charge depending upon the amount of work involved.

### **What process is used to serve notice on the Tenants?**

In order for a Landlord to have the right to commence possession procedures against their Tenant a 'Section 21' notice must have been served upon the Tenant. We will serve a Section 21 notice in the case that either party has advised us that they do not wish to renew a tenancy or if the Landlord wishes to regain possession and has an appropriate break clause.

Notice may not be given to Tenants in the first 4 months of a new Assured Shorthold Tenancy (Deregulation Act 2015). Notices must be enforced within 4 months of the date specified in the notice as the date the Tenants are required to vacate.

In addition, Landlords and agents wishing to issue their Tenants with a Section 21 Notice must:



- Ensure they have shared a valid copy of the Government's How to Rent Guide: the checklist for renting in England with Tenants;
- Make sure the property has valid Gas Safety Certificate and the Tenants have received a copy of it;
- Publish the property's Energy Performance Certificate (unless an exemption has been granted);
- Inform Tenants which scheme their deposit is protected in and provide the necessary certification and prescribed information.

A Section 21 notice does not preclude the Tenancy subsequently formally or informally being renewed. Where served it can act as an 'insurance policy' to ensure the Landlord can take action to gain possession in the Courts.

For any eviction proceedings outside the Section 21 regime we recommend you take your own independent legal advice. Section 21 notices are only applicable to Assured Shorthold Tenancies.

### **What's a Retaliatory Eviction?**

The Deregulation Act mentioned overleaf provides Tenants with extra protection from eviction in the case where they have complained to a Landlord about the condition of their property.

By way of example, in the following scenario, a Landlord would be prevented from serving a Section 21 notice or any notice may be considered invalid for 6 months after the Tenant has complained:

- Tenant complains in writing to the Landlord regarding the condition of the property (this can include the common parts of a shared building).
- The Landlord does not provide an adequate response to the complaint within 14 days. An adequate response is one that provides a description of the action the Landlord proposes to take to address the complaint and sets out a reasonable timescale for that action to be taken.
- The Tenant complains to the relevant local housing authority about the same, or substantially the same, subject matter.
- The local housing authority then serves a relevant notice in relation to the dwelling house in response to the complaint. A "relevant notice" is an improvement notice served under the Housing Act 2004 (relating to category 1 or 2 hazards) or an emergency remedial action notice served under that act.

The local authority determines what is a Category 1 or 2 hazard based on the Tenant and property. In general terms, Category 1 hazards represent an immediate threat to the health or safety of a Tenant such as the property not having adequate heating. Category 2 hazards signify less urgent threats to the health or safety of a Tenant.

### **What other safety regulations should I be aware of?**

As a Landlord you need to be aware of and comply with the following safety regulations:

- Fire and Furnishings (Fire) (Safety) Regulations 1988 plus (Amended) Regulations 1989 and 1993
- Gas Safety (Installation and Use) Regulations 1998

- The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020
- Electrical Equipment (Safety) Regulations 1994
- Smoke and Carbon Monoxide Alarms
- Building Regulations
- EPC Certification
- Water hygiene control

Please be aware there may be amendments and additions to this list from time to time.

### **Safety Checks**

#### **All Landlords have a duty of care to ensure their Tenant's safety.**

We will arrange a Gas Safety and Electrical Installation Safety Certificate for each new let and re-let unless already in place. If we are not asked to arrange any or all of the above, Landlords must supply and keep us supplied with current certificates. We will require a valid replacement certificate no later than 48 business hours prior to the expiry of the current certificate. Should we not be in possession of a replacement certificate, including from British Gas, we will act as Agent of Necessity and order a replacement via our approved contractors. In the event that the Landlord arranges the certificate directly and has provided contact details for their preferred contractor we will attempt to place the order with them. If they are unresponsive or unavailable we will proceed with booking our approved contractors without reference.

#### **Gas Safety (Installation and Use) Regulations 1994 Amended 1998**

Landlords must have all appliances, gas pipe work, valves, regulators and meters at their properties checked annually by a Gas Safe registered engineer 'to ensure that an appliance is maintained in a safe condition so as to prevent the risk of injury to any person'. Failure to comply with the Regulations means that the Agent, the Landlord, or both are committing a criminal offence. The offence carries a penalty of six months imprisonment and/or a fine which is currently a maximum of £5,000.

#### **The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020**

From 1<sup>st</sup> July 2020 Landlords must ensure every fixed electrical installation is inspected and tested at least every five years by a qualified person. Failure to comply with the Regulations means that the Agent, the Landlord or both are committing a criminal offence. Failure to comply with these regulations can result in a substantial fine, or even in the worst cases, imprisonment.

A qualified electrician can provide an Electrical Installation Condition Report (EICR) and this document needs to be provided to the tenants before the commencement of all tenancies.

#### **The Electrical Equipment (Safety) Regulations 1994 and The Plugs & Sockets etc. (Safety) Regulations 1994**

These regulations state that supplying unsafe electrical goods is an offence. When an unsafe appliance is found in a rented property, Trading Standards can check that the Landlord has taken all reasonable precautions to avoid supplying an unsafe item. In the event of an incident in a property involving electricity the Landlord must be able to demonstrate that his supply and appliances are safe, this can only be done if a professional check has been carried out.

PGCLL uses only fully qualified contractors to carry out both gas and electrical safety tests. These contractors not only carry the correct professional qualifications but also have Professional Indemnity Insurance.

### **Part P Building Regulations**

It is a legal requirement that all electrical installation work carried out in dwellings from 1 January 2005 (whether professional or DIY) and regardless of whether the works are minor or major, is done in accordance with BS 7671. Any such works carried out will need to be certificated by a NICEIC approved contractor to show that they comply with BS 7671.

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

All furniture must carry a permanent label denoting that the furniture is fire-resistant. Any furniture manufactured prior to January 1st 1950 need not comply, and thus 'period' and 'antique' furniture is usually exempt. Failure to comply with the regulations is an offence and carries a maximum penalty of 6 months imprisonment and or a fine of £5,000. There is also a further potential criminal offence.

### **Wood Burning Stoves & HETAS certificate**

Any solid fuel appliance fitted since April 2005 will require a Certificate of Compliance, HETAS certificate. This demonstrates that the installation complies with the relevant Building Regulations and it is used to notify the Local Authority Building Control Department of the work that was undertaken. We would also recommend having the chimney swept and the appliance serviced prior to and during the tenancy.

### **Smoke alarms and carbon monoxide alarms**

A rental property is required to have a working smoke alarm on each floor. Living spaces with solid fuel appliances must have a carbon monoxide alarm fitted and it is good practise to fit one by all combustion devices. For more information, please visit.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/458550/Smoke\\_and\\_carbon\\_monoxide\\_alarms\\_-\\_Landlords.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/458550/Smoke_and_carbon_monoxide_alarms_-_Landlords.pdf)

### **What is an Energy Performance Certificate (EPC), and do I need one?**

An EPC shows the energy rating for a home and must be made available to all tenants with information displayed on marketing material. EPCs are valid for 10 years and it is the Landlord's responsibility to provide. For more information please visit the government website:

<http://www.communities.gov.uk/documents/planningandbuilding/pdf/866773.pdf>

New regulations make it unlawful for Landlords from 1 April 2018 to grant a new lease on properties that have a minimum asset rating below an E on its EPC. Whilst there are some circumstances that will lead to a period of exemption, it is imperative you advise us as soon as possible if your property does not meet this required standard.

### **What are my obligations regarding Legionella?**

The Health and Safety Executive have issued a revised code of practice about the risks of Legionella bacteria; this is based on legislation detailed in the Health and Safety at Work Act (1974) and the Control of Substances Hazardous to Health Regulation (1994). As a Landlord you need to ensure your water system is free of Legionella bacteria.

**We recommend that a professional test and certification is carried out.**

For more information, please visit.

[www.hse.gov.uk/legionnaires/faqs.htm](http://www.hse.gov.uk/legionnaires/faqs.htm) and [www.hse.gov.uk/pubns/indg458.htm](http://www.hse.gov.uk/pubns/indg458.htm)

### **What are the financial implications of renting out my property?**

Property finance is a complex area and it is essential that Landlords (both resident and non-resident in the UK) seek professional advice from a specialist adviser to comply with their reporting obligations and ensure their rental income is appropriately taxed and investment yields maximised.

**Any financial information provided is a guide only.**

### **Landlords residing in the UK**

#### **Do I have to pay tax on my letting income?**

Yes, income tax is payable on rent received from property which is let. All profit you make from letting should be added to your other taxable income for the year, although the financial records for letting must still be kept separate. You have to pay income tax if the total of your taxable income is greater than your tax allowances.

#### **Can expenses be offset against the rent received?**

Only those expenses incurred "wholly and exclusively" for the purpose of the let can be offset against your letting income. These might include some mortgage interest (NOT capital repayments or endowments), general repairs and maintenance, insurance and agent's property management fees and any accountants fees for drawing up accounts.

#### **What records do I need to keep?**

You need to keep a record of all income and expenditure incurred in relation to all lettings. The records should show to whom payments have been made and from whom income has been received. You are usually required to keep the records for five years and 10 months from the end of the tax year.

### **Non-resident or overseas Landlords**

#### **What is my tax position?**

The law states that all Landlords renting a property within the UK whilst living outside the UK must have tax deducted at source by their agent unless formal approval is obtained from HM Revenue and Customs. The profit arising from rental income (less allowable expenses) is subject to tax at the basic rate. The relevant paperwork needs to be submitted to HMRC in good time in order that appropriate authorisation is passed to our accounts department.

#### **How does the Non Resident Landlord tax process work?**

The Revenue operates a system of "approval" for non-resident Landlords to receive rents gross. Landlords have a choice between:

- applying for approval, receiving rents in full and paying the tax due at the end of the tax year; or
- allowing the agent to pay tax quarterly on their behalf, deducted from the rent received. An administrative charge will normally be made for this service

Most of the costs associated with residential letting are allowable as deductions so tax is only payable on the net rent received after these costs have been deducted. If the agent deducts tax and pays it to the Revenue on behalf of a Landlord, they will issue a

yearly certificate declaring how much has been paid to the Revenue. This can then be used to set against a Landlord's total tax liabilities.

To receive UK rental income gross, application forms should be completed and sent to the Inland Revenue for approval: [www.gov.uk/tax-uk-income-live-abroad/rent](http://www.gov.uk/tax-uk-income-live-abroad/rent)  
These forms (usually NRL1) must specify the letting agent, as they are non-transferable. The code assigned to PGCLL is NA 010491 registered address 1-3 Church Street, Leatherhead, KT22 8DN.

If rent is paid directly by a Tenant to a non-resident Landlord or to his UK Bank account, the Tenant must also follow the above procedure. Interest is not paid on monies retained for tax purposes.

All Landlords should be aware that agents are required to submit a form annually to HMRC detailing the names of Landlords, the property address and the rent received. For more information please visit [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

### **What consent do I need to let?**

Please ensure you have permission from your mortgage company to let the property. As a Landlord, you will be responsible for insuring the building and any of the contents listed on the inventory. It is important that you inform your insurance company that the property will be let, as some companies do not offer insurance for Tenanted properties. If your interest in the property is leasehold, you may be required to obtain consent from your Superior Landlord and the Block Manager.

### **What other documentation do you need from me?**

As per the European Parliament Money Laundering Directive and the UK Government's Laundering Regulations 2007, we require evidence of your identity. Please provide us with one primary piece and one secondary as soon as possible. All documentation is handled in line with our Privacy Policy.

#### **Primary**

- Full valid passport
- Valid HM Forces ID Card
- Driving licence (with photo ID)

#### **Secondary**

- Original utility bill
- Original council tax bill for the current tax year
- Original mortgage statement for the year just ended
- Firearm or shotgun certificate
- Original current account bank statement
- Original credit card statement (must be MasterCard, Visa or American Express) with a copy of both sides of the card itself.

### **Are you able to forward my post?**

Please ensure that a mail divert is put in place with Royal Mail in order that you continue to receive your post.

[www.royalmail.com/personal/receiving-mail/redirection](http://www.royalmail.com/personal/receiving-mail/redirection)

We are happy to forward any post that is either passed to us or found by us at the property. All postage costs will be passed to the Landlord.

## Privacy policy

Our Privacy Notice is intended to be read in conjunction with Terms of Use, and Cookie policy contained on our website and any other documents referred to within this policy. We ask that you read this privacy policy carefully as it contains information on who we are, how and why we collect, store, use and share personal information, your rights in relation to your personal information and how to contact us. It also contains information on the correct body to contact in the unlikely event that you have a complaint that we cannot address.

Patrick Gardner & Co, Patrick Gardner & Co Residential Lettings Ltd, and Patrick Gardner Management Co. Ltd (as a group of Companies) are Data Controllers, are bound by the requirements of the General Data Protection Regulations (GDPR).

A full copy can be found [www.patrickgardner.com/privacy-policy](http://www.patrickgardner.com/privacy-policy)

If you have a complaint about the way we handle your personal data, please contact us at [privacy@patrickgardner.com](mailto:privacy@patrickgardner.com) or Patrick Gardner & Co 1-3 Church Street, Leatherhead, Surrey, KT22 8DN. In addition, you have a right to raise a concern with the UK's information regulator, the ICO: <https://ico.org.uk/>.

## Complaints handling procedure

If you have a complaint, it should be directed to the relevant Branch Manager/Head of Department. In the first instance please give full details in writing, setting out the issues to the Manager at the branch concerned.

If, after having received a reply from the office concerned, you are not satisfied by the response please forward all details to our Director

**Mr N Hutton  
1- 3 Church Street,  
Leatherhead,  
Surrey  
KT22 8DN**

**Email [nick@patrickgardner.com](mailto:nick@patrickgardner.com)**

Your complaint will be dealt with in a timely manner and a full response will be given within 28 days of the complaint being made, if not earlier.

If we are unable to deal with your complaint, The Property Ombudsman maybe able to help. The Property Ombudsman is an independent dispute resolution service. For more information, visit [www.tpos.co.uk](http://www.tpos.co.uk)

**The Property Ombudsman (TPO)  
Milford House  
43-55 Milford Street  
Salisbury  
Wiltshire  
SP1 2BP**

## Landlord Check List

The checklist below is a handy pre tenancy reminder to go through before letting your property. We also highly recommend that you provide the Tenants with a brief guide of your own, usually in a lever arch file, outlining useful information about the property, including copies of appliance instructions, details of utility suppliers, refuse collections, window cleaners and gardeners, if applicable.

### PGCLL documents

- Landlord's questionnaire
- Owner's instruction and declaration
- Overseas tax exemption certificate (if applicable)
- 2 forms of identification
- Signed Terms of Business
- Any Insurance terms to be passed to Tenant
- Any relevant Head Lease covenants to advise Tenant of

### Insurance

- Building insurance
- Contents insurance

### Consents to let

- Mortgage lender
- Freeholder (if applicable)
- Insurer

### Garden

- Organise seasonal tidy
- Arrange gardener for on going maintenance (if applicable)

### Property maintenance

- Professional clean
- Chimney swept
- Cesspit or septic tank emptied
- Oil tanks full
- LPG gas bottles full
- Arrange Inventory check
- All valuable items removed
- Arrange any pre tenancy maintenance

### Safety regulation

- Landlords Gas Safety Record
- Electrical Safety Certificate
- Fire and furnishings compliance
- Smoke alarms and Carbon Monoxide Alarms tested
- Legionella Risk Assessment
- Energy Performance Certificate
- HETAS Certificate

### Post

- Arrange for the redirection of mail with the post office

### Keys (Front door two sets if unmanaged and three sets if managed - labelled)

- Front door
- Back door
- Out buildings/Garage
- Window locks

### Appliance manuals

- Washing machine
- Fridge/freezer
- Tumble dryer
- Oven
- Microwave
- Dishwasher
- Central heating
- Boiler
- Hob
- Alarm

### Utilities and bills

- Gas
- Electricity
- Water
- Council tax
- Telephone
- Broad band supplier



