



# ALBION SALES & LETTINGS

Our business is your property

Tel: 01604 874400 | [www.albionsalesandlettings.com](http://www.albionsalesandlettings.com)



Albion sales & Lettings  
Northampton is rated **Excellent**



★ Trustpilot



*Offering Landlords  
more choice*



# ALBION SALES & LETTINGS

*In the winter of 1996, I had just started out in my Estate Agency career with a large corporate chain of Estate Agents based in Northampton Town Centre. I started out as a Sales negotiator and learned how to value properties and I built up my skills and experience to include lettings and property management, I was soon promoted to the position of Lettings Manager. I always wanted to run my own business & I eventually plucked up the courage in 2003 and Albion Lettings was born ready to serve the Landlords & Tenants of Northampton!*

*After having my two daughters I was determined to carry on running the business and be a Mum at the same time, so I expanded my team to help bear the workload. Albion Lettings soon gained quite a reputation with an abundance of happy Customers. I introduced a sales service for my landlords who wanted to sell their properties and took in one step further in 2016 with the help of Colin to set up a fully operation property sales division. I rebranded the business in 2016 as Albion Sales & Lettings and it became a limited company in February 2018.*

*I'm so proud of my team and the reputation they've all helped me build over the years; They are all committed to serving our customers to the best of their ability. My vision & that of my team is to offer every customer the best possible service experience. Recommendation is still the main source of new business and it's a trend that I envisage to continue long into the future.*



*Sally Knights* – Managing Director

# Meet the friendly team at Albion

**Colin Clayson – Branch Manager**



**Elouise Lavelle**

Sales & Lettings Administrator



**Claire Titley**

Sales & Lettings Administrator



**Clair Vaughan – Property Inspections**



## **Congratulations on becoming a Landlord!**

You have joined the club and it's a great club to be a member of! Whether you're a newbie or an experience Landlord, we hope this guide will help you on your journey.

The successful management of a let property is more than just collecting the rent and fixing maintenance issues, there are around 150 pieces of legislation that need to be adhered to in order to stay within the law and get things done properly. But let's address the basics first:

### **The valuation of your property:**

The rent value can have many determining factors, we take all of these into consideration when putting a value on your property. We understand the letting of your property is a business investment in most cases, and that you require the best price/return on your investment. The following factors can contribute to increasing or in some cases decreasing the value of your property:

#### **The Location**

If the property is in a more desirable location this will reflect in the rent price, a less desirable area will achieve a lower monthly rental.

#### **Presentation**

The property should be well presented in all areas wherever possible. The exterior should be well maintained, If the property hasn't got plastic windows and doors, the woodwork should be painted regularly, drainpipes and guttering should all be in good working order. The garden should be neat and tidy and as weed free as possible and any bordering fencing should be in good order. Remember if the exterior of the property looks inviting then this will encourage potential tenants to want to look at the inside!

The interior décor should be kept as neutral as possible, a small investment into a re-decorating project will reflect in the amount of rent you will receive, Heavy patterned carpets and old fashioned/dated décor may also put potential tenants off.

The property should also be clean, cookers and other appliances if being left behind should be clean, bathrooms should be clean and wherever possible within your budget, a modern white bathroom suite should replace any old fashioned colourful suite.

#### **Furnish or not to furnish?**

Demand is generally higher for unfurnished properties. The asking price won't increase by any *significant* margin if the property is fully furnished. If you are intending to leave "white goods" (washing machines, cookers etc) you should ensure that they are in good working order as once left in the property, unless left as a gesture of good will to the tenants, they are your responsibility to maintain and repair them.

## Checking if a Tenant is suitable

Its key that you check that your Tenant is suitable and can afford to live in the property. You should check they have a decent credit history and its advisable to check they have not broken terms of tenancy where they have lived before.

## Right to rent?

You have a legal obligation as a Landlord to ensure that your tenant has a legal right to live in the UK. This entails careful vetting of documents and the check you have completed must be recorded.

## Issuing a tenancy agreement

In most cases you will need to issue an *assured shorthold tenancy agreement*. Your tenancy should include:

*Landlord and tenant's names*

*Guarantors name (if applicable)*

*The start-date*

*The rental amount*

*Length of tenancy*

*How both parties can end the tenancy agreement*

*Specific details of notice required*

*Details of the damage deposit and where it is registered*

*The tenant must use the tenancy address as his/her main residence*

There are other types of tenancy agreement that need to be used in certain circumstances.

## Damage! ...what damage?

With the best will in the world, accidents can happen. Tenants and homeowners alike can have accidents, but they ultimately come with a price tag! You should consider asking your Tenant to take out liability cover which will protect your property in the event of an accident.



You should always collect a damage deposit. Deposits are now capped to the equivalent of 5 weeks rent for properties with a rental value of up to £50,000 per year.

Once the tenant has vacated your property it's your decision if deductions are to be made from the tenant's deposit. Both you and the tenant **MUST** agree on what damages should be charged for. An inventory should be taken before the start of the tenancy to overcome any flashpoints that may arise at the end of the tenancy. The Inventory can be written, could be a series of photographs or a video inventory. The date the inventory is taken, regardless of the method should be stated.

An alternative to a cash deposit is an insurance-based deposit scheme where the Tenants pay a monthly premium and you still get the protection against damage as if it were a cash deposit. It cuts down on time and negates the risk of being open to a fine if a cash deposit isn't protected within the allotted timeframe or the correct documents have not been served

### **We are a nation of animal lovers**

Often tenants have furry friends that they want to bring with them. Those Landlords who point blank refuse to consider pets may be cutting out a large proportion of prospective Tenants. You can't demand the Tenants pay extra deposit for their pet if you're collecting a cash deposit, but you could agree with your Tenant that additional rent is to be paid.



### **Keeping an eye on things**

You should check your property periodically to make sure all is well and that the property is in a good state of repair and that the Tenants are looking after the property. 3 or 4 times a year is recommended.

### **Property maintenance**

The property must be in a good state of repair with heating that works and windows that are not drafty etc. Tenants pay rent in return for warm and secure home. As a Landlord you have a legal duty to attend to requests for maintenance to be completed. You have a basic duty to provide a tenant with a secure warm home. It's worth considering taking out maintenance/breakdown cover.

### **Collecting the rent.**

The biggest fear that landlords have is not receiving rent. A few months without rent can be a living nightmare when there are still bills to pay. If you are not covered with by a rent protection warranty or insurance, then you could be leaving yourself open to be out of pocket. In usual circumstances, tenants will pay their rent to their Landlord or Agent by standing order.

### **All Change!**

If you are renting out your property, you will need to have specialist Landlord buildings insurance, if you don't have a landlord's policy on your let property then you should change this straight away! If there was a fire/flood/break in etc at the rented property, it's unlikely your insurers will pay out if they are not aware that you're renting out the property. It's highly advisable that you include minimal contents cover to protect your floor and window coverings and any appliances that may belong to you.

### **Making your mind up.**

Once the tenancy has commenced, strictly speaking you are committed to the period of tenancy you have agreed to with the Tenant. There are some circumstances where you can end the tenancy early and you can agree to mutually surrender the tenancy with the Tenants. You may have to cover Tenants moving costs and re-housing costs if you want to take back

the property early without a valid legal reason. If you once lived in the property as your main family home, you may be able to end the tenancy early to allow you to move back in.



If you want to sell the property, you can start marketing two months from the end of the tenancy and not before, unless you are selling to an investor who intends to keep the tenants on.

If the Tenants are in breach of contract, it's possible to start possession proceedings against tenants but there are many different "grounds" and different periods of notice that have to be given.

The Tenants can move out early, but you should ask them to pay your re-marketing costs and continue to pay the rent until a new tenancy starts.

## Fast forward

Most tenants will be happy to continue the tenancy after the initial fixed term has expired and will sign up for another fixed period of 6 or 12 months, some will ask if they can have a rolling contract. A rolling contract is more commonly known as a periodic contract as it rolls on from the original agreement but is for no fixed time period. It is a more flexible arrangement for both parties.

You will have to give the Tenants TWO months-notice (section 21) if you don't want to renew the tenancy and the Tenants have to give you only one months- notice to end the tenancy. This is unfair, but it's the law.

If there are any outstanding maintenance jobs or if the correct prescribed information hasn't been issued to the Tenant at the start of the tenancy, it may hinder your chances of getting the property back. (Remember, we told you about the 150 pieces of legislation?)

## Bills, Bills, Bills!



The Tenants will pay the Council tax, gas, electricity, water, satellite TV & internet etc... unless you have agreed to include these in the rent. It's a myth that you be blacklisted if there are unpaid bills left by a Tenant. Any debt will in the name of the Tenant if they have not paid their bills.

Smart meters will be installed in every household soon, which hopefully will make unpaid bills less of a phenomenon.

## Avoiding the voids

The Tenants should be contacted 6-8 weeks before the end of the tenancy to find out if they are staying on or planning on moving out. This will give you plenty of time to find a new tenant. If you are planning to complete maintenance or refurbishment work the void period is a good time to get these jobs done.

## A Taxing Situation

You must contact HMRC to tell them you are renting a property out if your income from property rental is between £1,000 and £2,500 a year. *You must* complete a Self- Assessment tax return if your income is between £2,500 and £9,999 after allowable expenses (or £10,000 or more before allowable expenses).

Any profit you make from renting out a property is part of your income and is subject to income tax. The amount of tax you pay on this is subject to your total taxable income. If you pay the basic rate of tax then you'll pay 20%, If you're a higher rate taxpayer, you'll pay 40%, and if you're in the additional rate bracket you'll pay 45%. You may be able to claim income tax relief which means that you either pay less tax to account for the money you've spent on specific items or get a refund on tax paid.



In this section, we will explain how to calculate your allowable expenses (*your full attention is required, and maybe a coffee break somewhere in the middle!*)

As you calculate your expenses, you need to know the difference between revenue and capital expenses.

Revenue: Revenue expenses relate to the day-to-day running and maintenance of the property and can be offset against an income tax bill.

Capital expenses: expenses that'll increase the value of the property, such as renovations. These can't be deducted from your income tax bill, but you may be able to offset them against Capital Gains Tax.

Some expenses you might initially consider capital will be revenue. For example, HMRC considers that double-glazing is no longer a capital improvement but a repair, even if replacing single glazed units.

Any costs that are deemed to be essential to you performing your duties as a landlord can be offset against your rental income, allowable expenses are things you need to spend money on as part of the day to day running of the property, including:

- any letting agent fees
- legal fees for a year or less, or for renewing a lease for less than 50 years
- accountants' fees
- interest on any property loans you may have taken out
- money spent on maintenance and repairs (but not home improvements)
- utility bills
- rent, ground rent and service charges
- Insurance
- council tax bills
- any services you pay for, such as cleaning and gardening

- any other direct costs incurred, such as phone calls, advertising or stationery
- mileage to inspect the property carry out repairs or collect rents
- courses that enhance or update your existing knowledge as a landlord

### **Things that you can't claim as allowable expenses include:**

- full amount of your mortgage payment - *only the interest element* of your mortgage payment can be offset against your income
- private telephone calls - you can only claim for the cost of calls relating to letting property
- personal expenses - you can't claim for any expense that isn't property related

From April 2016, the long standing 10% Wear and Tear Allowance for furnished rental property was replaced by Replacement Relief. This means that instead of claiming a flat rate for wear and tear, landlords can deduct the actual costs of replacing furniture, furnishings and kitchenware.

### **Landlord tax relief and Budget changes:**

The restriction on finance cost relief for landlords took effect from 6 April 2017 and applies to mortgage interest, interest on loans to buy furnishings and fees incurred when taking out or repaying mortgages or loans.

As a result, landlords will no longer be able to deduct all their costs to calculate profit. Instead, they'll receive a basic rate reduction from their Income Tax liability. The scheme is being introduced gradually, meaning that:

- in 2017-2018, the deduction from property income will be restricted to 75% of finance costs. The remaining 25% is available as basic rate tax reduction
- in 2018-2019, this will change to 50% finance costs deduction and 50% given as a basic tax reduction
- in 2019-2020, this will change again to 25% finance costs deduction and 75% given as a basic rate tax deduction
- from 2020-2021, all financing costs incurred by a landlord will be given as a basic rate tax deduction

### **Moving on to Capital Gains ...**

Landlords are required to pay Capital Gains Tax when they sell a property that's increased in value. It's payable on properties that aren't the owner's main residence. Working out the gain you've made on the property is simple in that you need to deduct the price you bought the property for from the total you're selling it for. You're able to deduct costs such as agents' or solicitors' fees and the costs of improvement works.



Once you've worked out your gain, you can find out how much capital gains tax you have to pay by using an on- line Capital Gains tax calculator.

*We strongly advise that if you are unsure of anything tax related that you speak to a tax Specialist.*

## Leaving on a jet plane?



If you are living overseas whilst your property is being let, you will need to inform HMRC. Letting Agents should deduct tax from your monthly rent if you do not supply a UK tax exemption certificate. If you own a property jointly another person, you will each need to apply for tax exemption for your share of the rent:

For more information please visit:

[www.gov.uk/tax-uk-income-live-abroad/rent](http://www.gov.uk/tax-uk-income-live-abroad/rent)

## Safety first!

There are safety regulations in place set by the Government to protect both you and the tenant. The regulations below should be adhered to. Failure to comply could result in heavy fines or even imprisonment in severe cases.

### Gas regulations “The gas safety (installation & Use) Regulations 1998

The above law is in place to ensure the safety of all gas appliances and installations are safe in a let property. Badly maintained and incorrectly installed gas appliances can kill

#### **YOU MUST HAVE A SAFETY CHECK CARRIED OUT BY A GAS SAFE REGISTERED ENGINEER EVERY 12 MONTHS**



- ✓ All gas appliances supplied by the landlord including mobile gas heaters must be properly installed and maintained by a registered GAS SAFE gas engineer.
- ✓ The gas safety check should be carried out every year without fail even if you have never had any problems with any of the appliances or installations
- ✓ All rooms with a solid fuel appliance **MUST** have a carbon monoxide alarm fitted. We strongly recommend that a carbon monoxide alarm in any property that has a gas appliance
- ✓ The tenant should have a copy of the certificate for the rented property.
- ✓ The landlord should not under any circumstances allow the tenant to arrange the gas check themselves. It is the Landlords responsibility to ensure that the gas safety check is carried out. We have a duty of care to you to ensure that you are aware of your obligations.
- ✓ All gas safety certificates must be kept for a minimum period of two years after they

expire.

Case law records show that landlords have been prosecuted and imprisoned for manslaughter following deaths of tenants as a result of carbon monoxide poisoning. The Health & Safety Executive can fine individuals up to £5,000 if they are found to be in breach of the regulation. (For more information on this you should obtain a copy of the Health & Safety executive code of practice.)

## **Electrical regulations**

You have a duty of care to the tenants to ensure that all of the electrical installations & appliances are safe to use, in other words it is against the law to knowingly leave them in an unsafe condition.

Although there is no actual legislation that Landlords must have electrical safety certified at present, you do have a duty of care to the tenants to ensure that all of the electrical installations & appliances are safe to use. It's a criminal offence to knowingly supply unsafe electrical appliances & fixed wiring

We advise you have an Electrical Installation Condition Report (EICR) carried out and if your property is over ten years of age, this is a check of all the fixed wiring and electrical installation of your property & it is recommended that this test is carried out every 5 years.



Appliances should be checked for their safety & certified as safe every year, this is called a Portable Appliance Test (PAT).

You should leave written instructions for all appliances that are being left in the property. If you haven't got the instructions, you must download them from the internet or ask the manufacturers to send you a copy.

## **Fire regulations**

Ensure that there is ONE working smoke alarm installed in the property on each level of the property. Ideally there should be a smoke alarm in the hallway and on every landing.

All properties built from 1992 will have mains wired smoke alarms to comply with Building regulations. If using battery operated alarms, you will need to check that the batteries are working at the start of the tenancy, the tenants will be responsible for checking the batteries throughout the tenancy.



## Furniture Regulations



The furniture and Furnishings regulations (1988) apply to all furniture and soft furnishings which must be fire safety compliant. Items such as mattresses, padded headboards, pillows, sofas, arm chairs, padded dining chairs should carry a fire -retardant label (normally a picture of a cigarette with a line through it).

## Assessing the risk of legionnaires' disease

The Health & safety Executive have implemented legislation regarding the potentially life-threatening condition of Legionnaires Disease. A risk assessment MUST be carried out by a competent person and should be repeated every two years. You can complete the risk assessment yourself if you feel competent to do so.

## General health & Safety advice

It's illegal for you to supply anything for- the property in unsafe - condition.

Most of this is down to common sense, just for example, stairs rails MUST be fitted properly and secured to the wall and not left hanging loose, garden ponds should be covered with mesh & all locking windows should have keys etc. Many Landlords who buy a property to Let or who are thinking of renting out their own homes over look most of the basic health & safety issues mentioned above.

## Rented properties needs to have an energy performance certificate.

All rented properties will have to have an Energy Performance Certificate (EPC). Your property will be graded on its level of efficiency by a qualified assessor. You are obliged by law to make the energy efficiency information available for prospective tenants before they move in. All new tenancies created there must be an EPC rating of E or above. For existing tenancies, the regulations will come into force in 2020 as part of the minimum energy efficiency standard.



## At the end of the tenancy

Always complete a check out inspection with your tenant and discuss any issues that you are not happy with. There is an abundance of information available on- line concerning deductions the return of the damage deposit

We have just touched on the basics, we could fill hundreds of pages with facts, information & Legislation associated with the successful management of a tenancy

## **Using an Agent**

Many Agents offer a find Tenant service or a classic fully managed service, at Albion we offer more choice. As experienced Agents, we would never recommend that a Landlord go it alone and self-manage a tenancy as there are so many pieces of legislation that could catch you out that you may not be aware of. The amount of times we've heard a Landlord say *"I don't need full management because I know lots of trades people"*..... There is so much more to managing a successful let than repairs. Legislative changes over the past 5 years have been colossal, don't get caught out, use a reputable Agent to do it all for you.

We believe in offering our Landlords more choice and we have developed three levels of service for our Landlords to choose from, offering you more flexibility. Simply pick from the following:

### **Silver Service – Find Tenant only**

It does what it says on the tin: We will visit your property, take photographs and list it for let on all four of the major property portals: Rightmove, Zoopla, On the Market & Prime Location. We will match your property to awaiting applicants on our data base.



We will complete viewings and give you feedback after the viewings. Once a Tenant has been found we will complete all the necessary reference checks to include a credit check, employment references & right to rent in the UK checks. We will then issue a comprehensive & legally binding tenancy agreement and serve all the necessary prescribed pre tenancy information to the Tenants as required under current legislation.

We will collect the first month's rent and damage deposit and forward this to you after our fee has been deducted.

Please be aware that using this service does not include us registering the damage deposit or serving the prescribed deposit information to the Tenants.

### **Gold Service – Traditional full management**

All the above will be included, in addition we'll register the deposit and issue the tenants with the correct prescribed information. We'll notify utility companies and the relevant local authority know that your Tenants have moved in (and the same when they move out). A standing order with the Tenants is arranged for the rent to be paid to us every month; You'll receive the rent from us promptly minus our management fee, we will provide a monthly remittance advice so you can see exactly what has come in and what has been paid out.



All maintenance issues that are reported to us are managed from start to finish. We have an army of tradespeople on hand to deal with most issues that crop up. You can use your own tradespeople if you want. We will keep all the legally required safety certification up to date. Tenants have our out of hours number and they can contact us if the need arises. You will have to pay for all maintenance costs, repairs & safety certification.

Your property will be inspected at least three times during a 12- month period (more frequently if we feel it's necessary) and a full report will be sent through to you advising you of any issues.

Any notices that are required during the tenancy will be served at no extra charge. The rent will be reviewed for you every year and we'll advise if a rent increase is appropriate. We can send you a yearly statement on request to assist you with your tax return at no extra cost.

At the end of the tenancy we will deal with any disputes that may arise at no extra cost.

We will ensure that your property complies with all legislation throughout, and of course we will deal with all enquiries that come in from the Tenants.

### **Platinum Club – All-inclusive service**

With this service you simply leave *everything* to us. You will benefit from all the above services *plus* we will give you a video inventory of the property, rent guarantee & legal warranty, 24/7 emergency maintenance cover, safety certification will be taken care of throughout the time we are managing your property ( the cost of the gas safety, electrical safety, portable appliance, EPC & Legionnaires risk assessments are all included), we will renew the tenancy & complete the end of tenancy checkout and deal with any deposit disputes.



The only thing not covered is maintenance that falls outside the emergency maintenance cover and any remedial work associated with making your property safe in order to issue the certification.

*You can see at a glance overleaf, the charges for all our service levels on offer and the cost of additional services you can bolt on to the silver & Gold packages:*

*Sally & the team at Albion look forward to being of service to you real soon!*

Current Landlord services & fees all prices are shown <i>including</i> VAT	Silver Service One off payment of £400.00	Gold Service £250.00 set up fee 12% per month (Subject to £70 minimum fee)	Platinum Club No set up fees £200.00 monthly fee
property valuation & market appraisal	✓	✓	✓
Marketing Photographs	✓	✓	✓
Advertising on Property Portals	✓	✓	✓
Viewings accompanied	✓	✓	✓
Tenant referencing/right to rent checks	✓	✓	✓
Tenancy agreement supplied	✓	✓	✓
Pre tenancy prescribed info served	✓	✓	✓
Video inventory supplied	£100.00	£100.00	✓
Rent collection	<i>not available</i>	✓	✓
Deposit registration	<i>not available</i>	✓	✓
Deposit prescribed information served	<i>not available</i>	✓	✓
Gas safety check	£85.00 (yearly)	£85.00 (yearly)	✓
Electrical safety check	from £200.00 (5 yearly)	from £200.00 (5 yearly)	✓
Portable appliance check	from £75.00 (yearly)	from £75.00 (yearly)	✓
Energy Performance Certificate	£85.00 (every 10 years)	£85.00 (every ten years)	✓
Legionnaires Risk assessment	£85.00 (every two years)	£85.00 (every two years)	✓
Property inspections (every 4 months)	£65.00	✓	✓
Annual emergency 24/7 maintenance cover	£230.00 per year	£230.00 per year	✓
Arranging non emergency maintenance	<i>not available</i>	✓	✓
Rent arrears & legal protection	<i>not available</i>	from £160.00 per year	✓
Notices to Tenants served	£75.00	✓	✓
Annual Rent review	✓	✓	✓
Renewal of tenancy	£75.00 per renewal	£75.00 per renewal	✓
Checkout inspection - end of tenancy	£75.00	£75.00	✓
deposit disputes	<i>not available</i>	✓	✓
Utilities informed start & end	<i>not available</i>	✓	✓

rightmove 

**Zoopla**  
Smarter property search

 OnTheMarket.com

 PrimeLocation.com

