

A Straightforward First-Time Landlords Guide

Professional service with integrity and trust

stones RESIDENTIAL

LETTINGS | MANAGEMENT | SALES

STANMORE BRANCH



A STRAIGHTFORWARD FIRST-TIME LANDLORDS GUIDE

Demand for rental property is high, and this is likely to remain the case for many years. We appreciate many people will look at the rental market and consider this the ideal sector to operate in.

However, it is important to know being a landlord is a challenging role. For first-time landlords, the industry can be overwhelming, and many newcomers have been surprised at the volume of regulations and responsibilities associated with the role.

At Stones Residential, we are delighted to say we work closely with local landlords. If you are a new landlord or you would like a reminder on some of the key steps involved in the process, our straightforward first-time landlords guide will be of interest.



THE COSTS OF BEING A LANDLORD

Before you commit to being a landlord, you must ensure you can take on the financial aspects of being a landlord. There are many costs associated with the role. Some of these costs need to be paid upfront, and before you generate any rental income, and some are paid out throughout the tenancy.

You must know your budget and have sufficient funds to pay for all the costs associated with being a landlord. Once you are up and running, rental income should be enough to cover your expenses, and providing you with money to enjoy a profit and prepare for unexpected costs.

If you suffer a void period, even for a few months, when there is no rental income coming in, will it place you under considerable financial pressure? If you experience problems that need to be repaired quickly, can you afford to do so? These are problems landlords need to consider, which is why understanding the costs of being a landlord is vital.



Some of the leading costs you need to budget for include:

- The deposit in arranging your buy-to-let mortgage (if applicable)
- Mortgage repayments
- Repair and maintenance work
- Furniture, white goods and appliances
- Insurance
- Agency fees
- Solicitor fees
- Fees for certificates and testing such as the Energy Performance Certificate or Gas Safety Check

Before you commit to being a landlord, you must make sure you feel confident about meeting these costs.



RIGHTS AND RESPONSIBILITIES OF A LANDLORD

Understandably, landlords have many rights and responsibilities to consider. You are duty-bound to protect your rental property and your tenants. There is a range of regulations, including the Homes (Fitness for Human Habitation) Act which provide tenants with greater rights to force landlords to improve the rental property or to face the consequences of failing to do so.



HEALTH AND SAFETY STANDARDS FOR RENTAL PROPERTY

There is a range of regulations your property must comply with before you can let it to tenants. Your property must score an E or better on the Energy Performance Certificate, and you must have a Gas Safety Certificate in place. This test should be carried out annually by a qualified engineer.

As of July 2020, rental properties must comply with electrical safety guidelines too. The Electrical Safety certificate is valid for five years, but the test must be carried out by a qualified professional.



MANAGING THE DEPOSIT

Landlords are responsible for collecting the tenant's deposit and ensuring it is placed into a Government backed Tenancy Deposit Protection Scheme. In England and Wales, landlords can choose between:

- Deposit Protection Service
- My Deposits
- Tenancy Deposit Scheme

Landlords in England must provide tenants with a copy of the "How To Rent" guidance issued by the Government. If you fail to provide this, you cannot serve a Section 21 notice on tenants.

Landlords must also check that all tenants aged 18 and older are legally allowed to live in the country. If you fail to do so, you might face a financial penalty.



SETTING FEES AND RENT

Knowing how much rent to charge is a crucial factor for landlords, and it involves a lot of research.

You should be aware of the local market and what prices people are paying, but settling for the average price isn't always the best choice. There might be reasons why your property is of a better standard than the average rental property in the area, or why tenants might be willing to pay a higher rental fee for a particular type of property, or a specific location.

You not only need to know about average prices, but you also need to understand how these prices have been formed, and why tenants are happy to pay these prices. This is where advice from a local agent who knows the market is crucial, as it helps you realistically enter the market.



FINDING AND VETTING TENANTS

Having the right tenant in place makes being a landlord so much easier. Therefore, you need to advertise your rental property in the right places to encourage suitable applicants, and then you need to vet tenants.

The vetting process will determine if an applicant can afford to let from you and whether they are likely to treat your rental property with due respect.

The vetting process should consider:

- Credit history of the prospective tenant
- Current debts of the prospective tenant
- Evictions suffered in the past
- Criminal records of the applicant
- Public records relating to debts

The vetting process should also include reference checks from previous landlords and current employer.

It is also important to speak with prospective tenants as this will provide more insight into what they are like. The conversation should focus on areas such as financial information, lifestyle and character.



KEEPING TENANTS HAPPY

All landlords should look to keep their tenants happy. When a tenant is content with the service and rental property you offer, they will be more likely to remain in the property. This will minimise the likelihood of void periods, helping you generate income.

Tips for landlords to keep a tenant happy include:

- Respond to messages quickly and maintain clear communication
- Be proactive when it comes to repairing property
- Be flexible with tenants as long as it doesn't negatively impact on you



CONTACT US

We offer a comprehensive range of property services tailored to vendors in Stanmore. If you would like to arrange an appointment to help you negotiate the local housing market, please contact Stones Residential today by calling us on 020 8954 0045 or emailing stanmore@stonesresidential.co.uk.

40 Church Rd, Stanmore HA7 4AH

020 8954 0045

stanmore@stonesresidential.co.uk

Professional service with integrity and trust

stones RESIDENTIAL

LETTINGS | MANAGEMENT | SALES

STANMORE BRANCH