

ESSENTIAL GUIDE





YOUR ESSENTIAL RESIDENTIAL LETTINGS GUIDE

Letting your property for the first time can be daunting. That's why with many years of property management experience behind us we can help you avoid the pitfalls.

Written for landlords, this essential guide will lead you through the process, explain the requirements and regulations and present the options for our tiered lettings Management service – enabling you to successfully let your property.

At Mishon Mackay we pride ourselves on our professional service and swift accounting procedures. By choosing to market your property with Mishon Mackay, you will give yourself the peace of mind of knowing that your property is being marketed and managed by experienced trained staff, dedicated solely to lettings across seven prime office locations, including using our strong corporate connections and the Mayfair office to ensure that you are given a complete service.

We provide free rental assessments without obligation and our staff are more than happy to take the time to sit and discuss in detail any points that you would like explained in full.



MARKETING

We rely on targeted rather than 'shotgun' marketing of your property to find quality tenants at excellent levels of rent.

- Corporate lets & relocations
- Advertising
- Mishon Mackay website
- Mishon Mackay 'back-office'

TECHNOLOGY

We offer cutting edge solutions which produce fast effective marketing of your home.

- Technology is our future
- Industry leading software
- Harnessing technology
- Fast, secure payment facilities

LOGISTICS

An inventory is paramount in the event of those unavoidable accidents.

- Security deposits
- Inventory & checkout
- Property maintenance

REQUIREMENTS

Mishon Mackays' Lettings team will guide you through the requirements necessary to let your property successfully.

- Permissions required
- Referencing
- Property cleanliness
- Furnishings

TENANCY

You will need a comprehensive tenancy agreement setting out the rights & obligations of both landlord & tenant.

- Tenancy agreements
- Terminating a tenancy
- Change of tenants

SAFETY

We are fully versed in the current safety legislations to ensure both landlord and tenant are fully covered and protected.

- Furniture & furnishings
- Smoke detectors
- Gas
- Electrical equipment





INTRODUCTION

The letting of one's property is a major decision for any individual to make. Whether or not the property is subject to a mortgage, it probably still represents the largest single asset that an individual owns. To entrust this asset to a tenant requires confidence in both the letting/management agent employed and the ability of the law to assist you and ultimately protect you.

FIRE REGULATIONS GOVERNING FURNISHED PROPERTIES

Under the 1988 Fire Regulations Act it became law from March 1993 onwards that any property let furnished must comply with that Act. Therefore, any furnishings (except pre 1950's) left with a property must comply with BSI standards. Failure to comply with these regulations now carries a heavy penalty of £5,000 or a six month prison sentence if not adhered to.

There is obviously a financial limit that landlords will wish to go to when furnishing a property. We therefore recommend that items of specific, intrinsic or sentimental value are not left within the property. To the same extent expensive china or glassware is not considered suitable and certain electrical items we recommend are not to be left due to their costly repair liability. These include: Food Mixers, Televisions, Computers, DVD Players, Hi-Fi Equipment, etc.

SHOULD I TELL MY MORTGAGE COMPANY (If I do not have a buy to let mortgage)

It is usual for the following parameters to apply to the above question if the mortgage company is to agree:

- In some cases a higher rate of interest may be charged.
- In some cases, your mortgage company will levy an administration charge.
- References and tenancies may have to be seen by the mortgage company before granting permission.
- The mortgagors may insist on the correct documentation to ensure reoccupation. They may also insist on the management being conducted by a recognised body such as a member of the National Association of Estate Agents (NAEA) or the Association of Residential Letting Agents (ARLA).
- It is usual for a length of time to be set that the property can be let for.
- Permission will usually only be given if the mortgage account has been managed to the lenders satisfaction.



WHAT ABOUT TAX?

For Guidance Only:

It is necessary to prepare accounts each year on all properties let, whether they are furnished or unfurnished, your accounts should be presented to the Inland Revenue indicating what taxation liability might arise. Tax Liability is assessed on the tax year running from 5th – 4th April. You are able to claim many allowances when letting your property that can be deducted from your profit. Such allowances include letting agents fees, solicitors fees, accountant fees, maintenance and repair work carried out during the letting or wear and tear allowance, lease hold, ground rent and service agreements on central heating and other appliances. Mortgage interest can also be offset.

The responsibility of payment of tax depends on whether or not the Landlord lives in the UK or abroad. If the Landlord lives in the UK then the Inland Revenue will assess the Landlord for the appropriate tax. If the Landlord is abroad then the letting agent will be assessed for tax and will be responsible for paying it on the Landlords behalf on a quarterly basis direct to the Inland Revenue at the current rate of tax of the net rental. Since the introduction of self-assessment it is now possible for Landlords to apply for an exemption certificate by completing a "Non Resident Landlord Form" allowing the agent to continue paying the rental without deduction of tax.

WHO IS RESPONSIBLE FOR WHAT?

As a rule of thumb, The Landlord is responsible for exterior and interior maintenance. The Tenant has a responsibility to show a duty of care to the property and contents. The Tenant will be responsible for the council tax, gas, water, electric and telephone accounts. The Landlord will remain responsible for buildings and contents insurance and any other outgoings.

INSURANCE

Insurers must be notified of the letting of your property so that the policy on the structure and contents may be endorsed. Insurance will be invalid if insurers are not correctly informed. Mishon Mackay also advise that insurance specific to contents cover is arranged to protect against possible damage by Tenants. Mishon Mackay cannot be held responsible for loss or damage to the contents while the property is let. Mishon Mackay are pleased to be able to offer a full range of specialist tailor made insurance for Landlords at competitive rates.



HOW DO I RECEIVE RENTAL?

Rents are usually paid on a calendar monthly basis in advance. An account is then raised within a seven-day period and commission deducted along with any relevant charges applicable. Payments are then sent to your bank account and an itemised statement to your email address.

WHAT IS THE ROLE OF THE MANAGEMENT AGENT?

If mishon mackay are instructed to manage the property they are bound by agreement to endeavour to complete the following:

- Find and assess Tenants. A member of staff accompanies all viewings.
- Obtain Tenant references via an established credit reference agency.
- Take a full and accurate inventory/schedule of condition.*
- Prepare AST.
- Thoroughly check through the inventory with the Tenants at the commencement of tenancy.*
- Carry out inspections of the property and send a subsequent report to
- Landlords (Fully Managed Only).
- Collect Rental.
- Forward net rental to your bank account with an accompanying statement sent to your email address.
- Cover all maintenance problems and advise you of faults.
- Instruct contractors if required.
- Check the Tenant out at the end of the tenancy using a professional inventory.
- Attend to and charge the Tenant for any damages that may have occurred. (This is only a brief outline, for further information refer to our managing agency agreement - Fully Managed Only)
- Holding of deposit in custodial scheme.

RESIDENTIAL LETTING AND PROPERTY MANAGEMENT SERVICES

We offer three levels of letting and management, the type of service you choose should be determined by your situation and exactly how much involvement you wish to have in the management of your property. Advice should be sought from a representative of the company to ascertain the type of service, which would best suit your requirements.

* Additional costs may apply



LETTING ONLY

- Extensive local and internet advertising.
- Accompanying all prospective tenants viewing the property.
- Full references taken on any prospective Tenants by a credit reference agency.
- Preparation of legal documentation signed by Tenants in our offices.
- Collection of first month's rental along with deposit. The Commission for this service is taken from the money received at the time of signing in advance of the term of the tenancy.

BASIC MANAGEMENT

- Advertising of the property.
- The Introduction of the Tenant.
- Taking of full references.
- Preparation and signing of legal documentation.*
- Rental collection. Payment collected from Tenant and then credited to your designated bank account and full itemised statements sent to yourself/representative.

FULL MANAGEMENT SERVICE

- Advertising the property.
- Introduction of the Tenant.
- Taking of full references.
- Preparation and signing of legal documentation.*
- Arranging of tenancy changeovers.
- Dealing with check out report at the end of the contract, if available.
- Attending to dilapidations and making the relevant deduction from the tenants deposit.
- The collection of rent.
- Preparation and submission of monthly statements to the Landlord.
- Quarterly inspections and subsequent written report of findings. Report sent by email.
- Handling/advising of any repair works that may be required within the property. A full report of any such repairs is compiled prior to work commencing (please note that your instruction will be sought prior to any repair works commencing, unless these repairs are extremely urgent and require immediate attention for the good of the property).
- Renewal of gas and electric safety inspections every twelve months.*
- Settling of contractors invoices, subject to sufficient rent received.

* Additional costs may apply



GET IN CONTACT

Drop into your nearest office, or call us today and start your journey.

BRIGHTON

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01273 606 076

HOVE

170 Church Road
01273 606 076

KEMPTOWN

8 Bristol Road
01273 606 076

PRESTON PARK

211 Preston Road
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PORTSLADE

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HURSTPIERPOINT

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NEW HOMES

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ROTTINGDEAN

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