



# PARKERS

Residential lettings

# guide



The Specialist Letting Agent



# Welcome to our residential lettings guide

Letting a property is serious business, whether you are an experienced investor landlord, or private individual letting your home for the first time. History suggests that over a period of time residential property is one of the safest and best performing investments, not only providing an excellent income but also, for many, a significant capital gain in the process.

Business growth locally, coupled with difficulties in the mortgage markets, have resulted in a dramatic increase in demand for rental property. We have kept pace with this growth by expanding our office network, investing in technology and continual training and development of our already excellent staff. We continue to build relationships with companies and organisations located in the area who have continual to ongoing accommodation requirements for their employees.

Letting your property demands careful planning and you need a professional agent, who will look after your interests and at the same time make being a landlord as stress free

as possible. At Parkers we use our knowledge and expertise to ensure that our service meets your needs and gives you peace of mind. We are committed to providing a service that is second to none. In fact, every customer receives a freepost questionnaire card for their completion; each one of which is personally read by our founder, Richard Parker. Where we can make improvements in our service, we promise to do so.

Your property is a major investment and it is important that you are aware of your responsibilities as a landlord as well as knowing the best way to optimise your investment. This guide is designed to give you help and advice in this area and explain the services we can offer you and their importance to you.

May we take this opportunity of thanking you for your enquiry and we hope that this guide will give you an insight into the professional services offered by Parkers.

Your local office will be pleased to answer any further questions you may have.

*Richard Parker*

Richard Parker  
**Founder**



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Regulations, taxation and other information is subject to change so please check with Parkers or your accountant regarding any important matters

# Buy to let

One of the safest investments

Historically, residential property has proved to be an excellent investment. The value of residential property has, on average, doubled every eight years over the last fifty years.

The abolition of rent controls, the landlord's right to regain possession, the availability of tailored "buy to let" mortgages at competitive rates, increased demand from a more mobile workforce and changing lifestyles have all contributed to a significant increase in the residential lettings market.

Property should always be viewed as a medium or long term investment. There are short term rises and falls in



# Let to buy

For when you need to move without selling

property values but over the long term, property has always performed well as an investment. To ensure your property investment is as good as it can be, it is important to buy the right kind of property.

## Finding the right property

Parkers are able to provide all the expertise you need to ensure that you choose the right type of property to suit your budget and personal circumstances. We will advise you on location, local demand and rental values to enable you to achieve the most from your investment, as well as explaining all the legal, financial and tax issues wherever possible.

In general terms, the smaller the property, the greater the rental return on your investment. One and two bedroom houses and apartments and three bedroom houses are ideal. Modern property is preferable from a maintenance point of view but a carefully renovated older property is fine. Good residential localities attract better tenants and demand is stronger for town rather than country property. Bedsits are not ideal as there tends to be a higher turnover of tenants, together with the requirement for strict local authority licensing.

# where to start

The first stage towards letting your property is to arrange with your local Parkers office to meet at the property for a 'Valuation Appointment'. We provide this service free and with no obligation.



Every property is different, so in assessing rental value we take account of accommodation, condition, location and current demand. Most importantly we will draw on our database of similar properties nearby and the rental values achieved. During the valuation appointment we will advise you about any action you can take to maximise rental income, and cover any safety and other legislation relevant.

## Furnished or Unfurnished?

One of the first decisions to be made is whether to let your property furnished or unfurnished.

About 90% of prospective tenants locally are looking for unfurnished accommodation so this is how we generally advise you to let your property. The advantages of letting unfurnished are:

- **Greater demand**
- **Lower turnover of tenants**
- **Generally more mature tenants**
- **Less wear and tear**
- **Lower maintenance and repair costs**

## Unfurnished lettings

Unfurnished lettings generally include the following:-

- **Carpets or laminate flooring**
- **Curtains**
- **Light fittings**
  - **Built in kitchen appliances** but not free standing kitchen appliances. We advise against leaving washing machines and tumble driers as they are a liability for the landlord if they break down and tenants normally have their own
  - **Smaller wall mounted items** such as mirrors in the bathroom and cloakroom, toilet roll holders and towel rails. If these are not left, tenants tend to fix and remove their own leaving unsightly drill holes in the process.



## Furnished lettings

You may for personal reasons choose to let your property furnished. If so, you need to be aware of the following:

- All soft furnishings i.e. beds and upholstered chairs and sofas must comply with the Furniture and Furnishings (Fire) (Safety) Regulations Act 1988 (see page 11). Any furniture manufactured before 1988 will generally not comply.
- All bed linen, towels and ornaments should ideally be removed.
- Only basic kitchen equipment, cutlery and tableware should be left.

- If an electrical appliance such as a television, toaster, or washing machine breaks down, it is your responsibility to repair or replace it.

## Presentation

First impressions count! If your property is presented well, it will not only achieve a higher rent but will also attract a better tenant. It is important to ensure that the property is cleaned, that redecoration is carried out and carpets professionally cleaned where necessary, windows cleaned inside and out and the garden well tended. Parkers can advise you on the level and type of furnishings, fittings, and appliances required and where redecoration or other improvements are required.

## Decorations and carpets

When redecorating, choose neutral colours such as magnolia or cream. Emulsion paint the walls rather than wallpaper as it is a lot cheaper, quicker and easier to redecorate when necessary. Carpets and curtains should ideally be neutral or muted colours and be able to stand wear and tear.

## Gardens

Garden maintenance is normally made the tenants' responsibility and most tenants are happy to maintain a small or medium sized garden. However, if your property has a large garden, we recommend that you employ a gardener to look after it during the tenancy with the cost of this being reflected in the rent.



# Attracting tenants

## Effective marketing

As soon as Parkers receive your written instructions to proceed, our lettings team will commence the process of finding a suitable tenant. Prospective tenants that are registered on our extensive database will be contacted by SMS message, email and telephone. A description and photograph of the property will be distributed to prospective tenants and added to our property list and website. A selection of properties is displayed in the local press to ensure continual enquiry. Parkers will continue this active line of promotion until a suitable tenant has been secured.

Parkers invest heavily in press and internet advertising in order to generate constant enquiries from potential tenants. Our own website Parkerlettings.com receives over 100,000 hits per month alone, whilst our advertising partner, Rightmove.co.uk, is still the UK's largest property portal website, by a significant margin.



Our high profile, strong reputation and innovative marketing generates considerably more enquiry than most other local letting agents. All this works towards getting your property let as quickly as possible.

## Internet marketing

The internet has become an essential tool in the marketing of rental properties. Over 70% of people moving home use the internet to search for property. Available 24 hours a day, prospective tenants can view homes that are currently available from wherever they are in the world. Because property lists can be updated daily and application forms can be downloaded, the whole letting process is accelerated. Our internet advertising generates hundreds of enquiries daily from individuals, companies and relocation agents.

## Capturing the company movers

Statistics show that one in every five house moves in the UK is as a result of job relocation. Parkers have built up an excellent relationship with many substantial local companies. These high profile companies continuously use Parkers for our exacting standards and the extensive range of quality accommodation available, which saves both the employer and employee valuable time in their home search. Tenants on a company move are quite simply some of the best around. They are highly motivated professional people usually with the resources and backing of the company at their disposal.

# Selecting the right tenant

A significant proportion of applicants are unsuitable as tenants either because of their financial situation, their age, or their inability to look after a property carefully. The success or failure of a letting agent rests on their ability to make the correct judgment of an applicant. Typically six out of ten of all new applications are from existing or former Parkers tenants. This allows us to consider 'track record' in the selection process.



There is always an element of risk with letting, but an experienced agent will know when to refuse an applicant. The most appropriate type of tenant will also depend on the type of property and your own specific circumstances and requirements. Parkers will discuss your particular needs in detail and strive to find the most suitable tenant.

Different landlords make different stipulations regarding what they will and will not allow. Typical exclusions include the following, but remember, the stricter you are, the more difficult it becomes to find a tenant:-

- **No pets**
- **No smokers**
- **No children**
- **No unemployed**

## References and Financial Checks

When a tenant has been found we employ stringent referencing procedures which gives us an understanding of their personal and financial circumstances. When it comes to tenant selection we cannot guarantee to always get it right, but out of many hundreds of lettings that we deal with every year, our problem cases are few and far between.

# Taxation of rental income



## UK Resident landlords

If you are a landlord resident in the UK, your net income from your investment property is subject to income tax. The level of tax depends on your other income. If you are already a higher rate taxpayer, tax will be payable at the higher rate. The normal method of reporting your taxable income to the Inland Revenue is by a Self-Assessment Tax Return.

The following deductions can be made from your rental income to arrive at the net income which is subject to tax:-

- **Interest on mortgage** (subject to conditions)
- **Property repairs**
- **Letting and management commission**
- **Building insurance**
- **Ground rent**
- **Service charge**



## Non UK resident landlords

The Non-Resident Landlords (NRL) scheme is for taxing the UK rental income of persons whose “usual place of abode” is outside the UK. If you are treated as a non-resident landlord you still have to pay UK income tax on rental income from UK property.

Unless the landlord can provide Parkers with an exemption certificate from the Inland Revenue, we are obliged by law to deduct basic rate tax from rents received and account to the Inland Revenue on a quarterly basis. Exemption certificates are required by any person named on the tenancy agreement, when living overseas.

Landlords are responsible for obtaining their own exemption certificate and the appropriate forms should be submitted as early as possible as they take several weeks to process. The majority of landlords apply for and are granted an exemption certificate

Details on taxation are correct at the time of printing. Further information for non-resident landlords and exemption application forms are available at Parkers or, the Inland Revenue at Centre for Non-Residents, St Johns House, Merton Road, Bootle, Merseyside, L69 9BB UK

# safety and other regulations

The following information is intended only as a guide for landlords and should in no way constitute a detailed interpretation of the complete regulations. Whilst the regulations might appear onerous they are designed not only in the interests of fair play, but to ensure the safety of the property and tenants.

## Tenancy Deposit Regulations

From 6 April 2007 landlords are required to participate in a tenancy deposit scheme whereby the tenants deposit is held in either an insurance-based or custodial scheme. Full compliance is included in our both our Full Management and Premier Management Plus services.

## Gas Safety (Installation and Use)

These cover all gas appliances, flues, meters and associated pipe work and require landlords to get an inspection carried out by a 'Gas safe' registered engineer to check any gas installations. Once the plumber is satisfied that the installations are safe, he will supply a Gas Safety Certificate, a copy of which must be held by the managing agent and given to the tenant before they move in. This certificate must be renewed once a year.

Parkers will normally arrange the inspection and diarise the annual renewal. Breach of this regulation can result in heavy fines or even imprisonment so tenants are not allowed to occupy a property without a certificate.

Landlords are also responsible for ensuring that either the operating instructions are shown on the appliance or that an instruction booklet is supplied.



## Energy performance certificates

As of the 1st of October 2008, Energy Performance Certificates were introduced into the lettings market. The implications of this are that all residential rental properties will require a valid Energy Performance Certificate (EPC) at the point of new tenancy. The EPC will have a life of 10 years (currently). Parkers work with local energy assessors to provide the necessary certification.

## The Electrical Equipment (Safety) Regulations 1994

These regulations apply to all persons who let accommodation which contains electrical equipment. The electrical installation at a property and any electrical appliances should be safe.

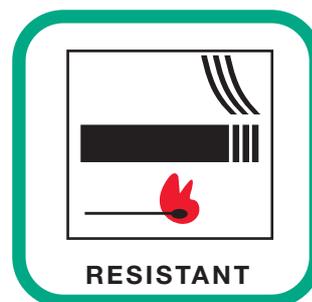
A landlord must be able to demonstrate that electrical appliances have been checked and are safe before the property is let. Should any piece of electrical equipment have a fault, which results in injury or fatality, the landlord could be prosecuted. Therefore, Parkers lettings recommend annual checks of all electrical wiring and appliances by a NICEIC approved electrician.

The landlord is also responsible for ensuring that either the operating instructions are shown on the appliance or that an instruction booklet is supplied.

Parker lettings hold full details about all Regulations and landlords are advised to seek further guidance from us. Failure to comply with these Regulations may constitute a criminal offence under the Consumer Protection Act 1987.

## Furniture and Furnishings (Fire) (Safety) Regulations 1988 (Amended 1989 & 1993)

This act covers all upholstery and upholstered furniture supplied by the landlord in a rented property, including; beds, footstools, pillows, headboards, mattresses, sofa beds, futons etc. Furniture manufactured since 1950 cannot be supplied to a tenant unless it has been professionally re-upholstered with conforming materials. Compliant furniture will always carry a label indicating that it complies.



## Smoke Detectors

All new homes (built after June 1992) must be fitted with mains operated smoke detectors. There are no specific regulations governing older buildings. However, Parkers strongly recommend that at least one smoke alarm is fitted to each floor of your property.





# service levels

- Tenant Find Service
- Full Management Service
- Premier Management Plus

Level of service	Tenant Find Service	Full Management	Premier Management Plus
Full Parkers marketing	✓	✓	✓
'To Let' board	✓	✓	✓
Reference & credit checks	✓	✓	✓
Latest Assured Shorthold Tenancy	✓	✓	✓
Professional Inventory	✓	✓	✓
Notify utilities & council tax	✓	✓	✓
Renewal of tenancy	✓	✓	✓
Collection of rent	X	✓	✓
Monthly statement	X	✓	✓
Quarterly inspection report	X	✓	✓
Organise and oversee maintenance	X	✓	✓
Compliance with all safety regulations	X	✓	✓
Rent guarantee & legal protection	X	X	✓

Service level	Set-up fee		Management charge
Tenant Find Service	<input type="text"/>		
Full Management	<input type="text"/>	&	<input type="text"/>
Premier Management Plus	<input type="text"/>	&	<input type="text"/>

Please contact your local branch for further information and advice.