

The Munrolock Landlord Guide - Helping you to make your decision

“We offer three services: Let only, Rent Collection and Full Management.”

We can protect your interests by finding the right tenants as well as managing and maintaining it if you're far away, or just do not have the time. We use only reputable contractors to deal with maintenance, and necessary repairs are carried out quickly, cost-effectively and to a superior standard.

We'll ensure your property or home remains an asset and an investment.

Beckenham Office

22 High Street
Beckenham, Kent, BR3 1AY
Tel: 020 8663 9000
Fax: 020 8462 5055

Hayes Office

31 Station Approach
Hayes, Kent, BR2 7EB
Tel: 020 8462 8080
Fax: 020 8462 5055



Helping you with your investment - A Customer Service approach



Members of the National Association of Estate Agents

The NAEA is dedicated to the goal of professionalism within high street estate agency.

Professional Lettings Particulars

Many Letting agents still do not produce photos and measurements for letting properties. A good looking brochure could get you an extra rental a month.

Our Internet Marketing

80% of people use the internet to search for property, so we knew how imperative it would be to make use of the world wide web.

Photo slideshows, Location maps with route planners, satellite views, printable brochures, email to a friend and save to portfolio are on the website brochures for every property.

A Variety of Communication

All our staff are equipped with their own computer, giving instant access to emails, prospective buyers, sellers, solicitors and properties from all our offices.

Viewings and Feedback

We can accompany all prospective tenants around your property at times to suit you. A dedicated member of our lettings team will be responsible for updating you on all viewings, feedback and interest received. Don't forget, you can also log on to our website and see your feedback at any time.

The true meaning of Networked Multi-Branches.

To Munrolock, the true meaning of networked is simple....register in one office and you are automatically registered in all our offices.....let your property with one of our offices and you are automatically letting it with all our offices.

Letting agreed

Once suitable tenants have been found and terms of their let agreed, we will apply for a credit reference on your behalf and commence the preparation of relevant documentation.

References

Every full reference has the benefit of the following: credit history check, managing agent/landlords reference employment reference (or any other financial income) character reference, tenants database search. This is the 'usual' referencing service used for all tenants, and if required, on guarantors as well.



- Customer Service
- Modern Technology
- Quality Professional Brochures
- Floor Plans
- Projection Screens
- Internet Advertising
- Emails and SMS Texts
- Telephone calls
- Picture Messaging
- Post and Letters
- Window Displays
- Leaflets

'There is nothing more important than knowing where and how to market a property'

Tenancy Agreement

This will be prepared on your behalf setting out terms and conditions of the contract and any special requirements.

Inventory

An Inventory report is a complete record of the fixtures, fittings and décor of your property. The entire report works methodically from the front entrance through each room, and includes any outdoor space.

A Check-In report combined with an inventory creates a report specific to a tenancy. The Check-out report compares the condition at the end of the tenancy to that on the inventory and check-in reports.

We recommend that you use our inventory company for both check in and check out. **Without an independent inventory and check out, you will have no way of claiming for any damages or missing items.**

Rent and Deposit

We will collect the first months rent and the deposit from the tenant on your behalf before commencement of the tenancy.

Move in day

On the day the tenancy commences, we will usually arrange for your tenants to be checked into the property and for the keys to be handed over.

When will I receive rent?

Munrolock collects the deposit and the first months' rent from tenants before they move in by bankers draft ensuring cleared funds. We will then deduct our fees and any dispersments and the balance will be transferred to you by online banking within 10 days though usually 2-3 days.

What happens if there is a dispute about the deposit?

For full management clients, the tenancy deposit scheme will arbitrate in all tenancy disputes at the end of tenancy in accordance with the tenancy agreement. Deposit disputes are normally centred around the end condition so make sure you have a record of the condition at the beginning of the tenancy by way of a professional inventory which we would be happy to arrange for you.

Who organises repair work?

Under a full managed service Munrolock can order immediate repairs on receipt of a request from the tenant highlighting a repair need, and subject to the consent of the landlord. We will address any emergency repairs which render the accommodation unfit for habitation within 24 hours. For Rent Collection and Let Only landlords, organising repairs is the responsibility of the landlord.



Munrolock were awarded:

Certificate of Merit in the Letting Agency of the year
Highly Commended in the Multi Branch Agency of the year
Finalists in the Residential Agency of the year.



Customer Services Award

We were finalists in the South London Business Awards 2007 in the Customer Services Category.

Legal Obligations - Be aware of the Law

A Customer Service approach



There are a number of regulations that govern the letting of residential property to which all landlords must comply. The penalties for failing to do so are severe and could result in heavy fines and/or imprisonment. It is our duty, as your letting agent, to advise you of your obligations, the implications of the regulations and to assist you in ensuring you are fully compliant.

What legal obligations apply to Gas?

The Gas Safety (Installation and Use) Regulations 1998.

The regulations state that all gas appliances, pipework and flues must be checked annually by a CORGI registered engineer to ensure they are safe. At the commencement of any tenancy, a copy of a current Gas Safety Record must be provided to the tenant. Annual checks are required thereafter and a new Gas Safety Record must be provided to the Tenants within 28 days of the expiry of the previous one. Records should be retained for a period of two years from the date of the check and made available for inspection upon request. Failure to comply with the Gas Safety Regulations could result in imprisonment and/or a fine.

What legal obligations apply to Furniture and Fittings?

The Furniture and Furnishings (Fire) (Safety) Regulations 1988 as amended 1993, place a legal obligation on residential landlords to ensure that upholstered articles meet fire resistance regulations. Regulations apply to beds, mattresses, sofas and other soft furniture. All affected furniture must carry the resistant label. Non-compliant furniture must be removed from a property prior to letting. An easy way to check is to look at the label on your furniture and if it reads "carelessness causes fire" this item of furniture is of the current standard. Should you have any doubt please ask and we will be happy to check it for you. If a property is found not to comply, the landlord could face up to six months' imprisonment and/or a fine of up to £5,000.

What legal obligations apply to Electrical appliances?

The Electrical Equipment (Safety) Regulations 1994. The regulations state that 'persons who, in the course of business, let accommodation which contains electrical equipment' must comply. The regulations make it very clear that equipment must be 'safe' and not cause 'danger'. In order to meet these requirements the electrical supply and all electrical appliances must be tested by a 'competent person' such as a NICEIC qualified electrician. A check annually, or when a new tenant takes possession of the property, is recommended. Instruction booklets or written instructions for all electrical equipment should be left in the property. A note of these together with the date of the safety check should be recorded in the inventory. If the electrical equipment does not comply with the regulations and an accident occurs, it could result in up to six months' imprisonment and/or a fine of up to £5,000.

Part P Building Regulations

In January 2005 Part P of the Building Regulations came into force. The main thrust of the legislation is to make it a legal requirement that any electrical installation work carried out in dwellings from 1st January 2005 - whether professional or DIY and regardless of whether the work are minor or major - the parts that are fixed to the building such as sockets, switches consumer units and ceilings fittings - are fixed in accordance with BS 7671, which is the British Standard for electrical installations. Any such work carried out will need to be certificated to show that they comply with BS 7671. This can either be done through the local authority or by a NICEIC registered installer who can be an individual or firm. Any certification does not cover the inspection and testing of existing electrical installations, however it will cover remedial work required to correct deficiencies found on an electrical inspection. Any Inspection Report should be carried out by a NICEIC approved contractor.

Smoke detectors

The Department of Environment (DOE) brought out regulations governing the installation of smoke detectors in new homes, which are incorporated in the Building Regulations 1991. Since June 1992 all **new** homes must be fitted with mains operated smoke detectors. They must be installed on every floor and be interlinking. Although there are no such regulations governing older properties, it is advisable to install at least battery operated devices on each floor, if not mains operated ones. It is important that all devices are checked regularly, especially if battery operated.

What is a HMO?

The legal definition of "House in Multiple Occupation" is a "house which is occupied by persons who do not form a single household". The terms also include any purpose built or converted flat whose occupants do not form a single household. If the property you are letting is divided into a number of separate accommodation units (such as bedsits or flats) the property is probably "a House in Multiple Occupation" (an HMO). The Council has further requirements of the owner or manager of an HMO. These are legally enforceable and cover standards of fire safety and general management and upkeep of the HMO's common parts of services. If you are contemplating letting out the property as an HMO - either bedsits or flats you should seek advice from the HMO Team in the Local Authority.

Do I need to tell anyone I am renting my property out?

Yes most building societies & banks need to give you permission to rent your property out, in some cases they will change the mortgage to a 'buy to let' mortgage which can incur more costs, please get permission from your bank or building society before putting the property on the market. In some cases the Freeholder or the Management Company (in the case of leasehold properties) may need to give permission too please check your lease. If you are unsure about any of these points we will be pleased to help.

Lettings and Tax

Whether you have to pay tax on your letting income depends on your financial circumstances. For example, if the let property is mortgaged and your costs exceed the rent you receive, then it is possible no tax will be payable.

You will need to complete your tax returns each year keeping records of income and receipts, so as to be able to file returns.



Insurance

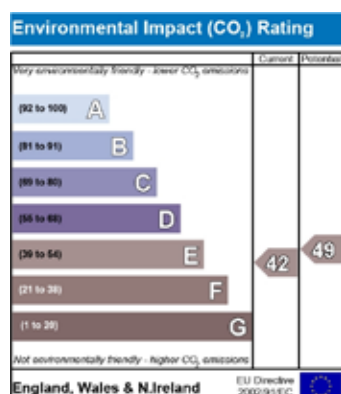
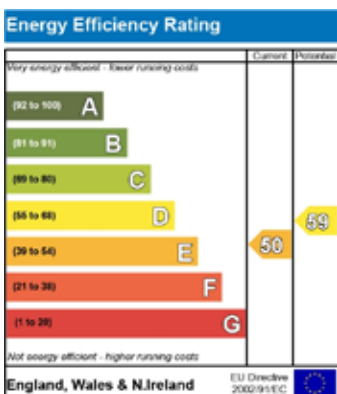
The property and its contents should be comprehensively insured to include third party and occupiers' liability risks. Failure to inform your insurer that the Property is let could render the policy void. You should obtain detailed advice from your insurers as to the nature and extent of the cover required. We strongly recommend you arrange for an insurance policy which covers contents, loss of rent and legal expenses.

EPC's

Energy Performance Certificates have been introduced to help improve the energy efficiency of buildings. From October 2008 EPCs will be required whenever a building is built, sold or rented out. The certificate provides 'A' to 'G' ratings for the building, with 'A' being the most energy efficient.

Our accredited energy assessors produce EPCs alongside an associated report which suggests improvements to make a building more energy efficient.

Please note these are now compulsory before you can market your property either on sales or rentals.



Vat to be added	EPC's
1 Bed / Studio	£55
2 Bedrooms	£65
3 Bedrooms	£80
4 Bedrooms	£100
5 Bedrooms	£110

The Tenancy Deposit Scheme - Compulsory for all landlords



All new tenancy deposits must be protected in a government-authorised scheme. This new rule applies if the tenancy is an assured shorthold tenancy. The Government wants to make sure tenants' deposits are protected so that:

- Tenants get all or part of their deposit back, when they are entitled to it.
- Any disputes between tenants and landlords or agents will be easier to resolve.
- Tenants are encouraged to look after the property they are renting.

At the end of the tenancy, following adequate written notice, a landlord or agent can seek possession of the property. A tenant who refuses to leave cannot be evicted without a court possession order. A landlord or agent will lose their automatic right to regain possession of the property at the end of the tenancy unless they have protected the deposit in a scheme and given the tenant information about how it is protected.

Moving in

At the beginning of a new tenancy agreement, the tenant pays the deposit to the landlord or agent as usual, who must ensure it is protected.

1. There is a custodial scheme, where the money is held by the scheme until the end of the tenancy. The landlord or agent simply puts the deposit into the scheme at the beginning of the tenancy. This is the service Munrolock uses.

Within 14 days of taking the deposit, the landlord or agent must provide the tenant with details of how the deposit is being protected including:

- The contact details of the tenancy deposit scheme selected
- The landlord or agent's contact details
- How to apply for the release of the deposit
- Information explaining the purpose of the deposit
- What to do if there is a dispute about the deposit



Moving out

At the end of tenancy the condition and contents of the property should be checked against the agreement made at the start of the tenancy. The landlord or agent then agrees with the tenant how much of the deposit will be returned to them. Within 10 days the agreed amount of the deposit will be returned to the tenant.

How does it affect you as a Landlord with Munrolock?

Management with Munrolock.

If you use either this service with Munrolock, we will hold the deposit as normal. We are registered with the DPS service so will pass the deposit on to be safeguarded. We will deal with the administrative work.

Let only and Rent Collection with Munrolock

If you use these services, we will pass the deposit on to you as normal. As a Landlord, it will be compulsory for you to ensure you are registered with one of the three schemes and to inform the tenants of their rights and let them know which scheme you belong to.

What happens if you don't secure a tenant's deposit?

The tenant can apply to the local county court. The court can order the landlord or agent to either repay the deposit to the tenant or protect it in a scheme. If the landlord or agent has not protected the deposit, and they fail to do so within 14 days, they will be ordered to pay the tenant three times the amount of the deposit.

Scheme Providers

There are three government-authorised tenancy deposit schemes offering tenancy deposit protection. Landlords should find out about these schemes and their legal obligations before taking a tenancy deposit.

There is one custodial scheme: The Deposit Protection Service www.depositprotection.com 0870 707 1 707

and two insurance-based schemes:

Tenancy Deposit Solutions Ltd www.mydeposits.co.uk info@mydeposits.co.uk

The Tenancy Deposit Scheme www.tds.gb.com 0845 226 7837

Overseas tax - Landlord Non-Resident Scheme

Compulsory for all overseas landlords



Overseas Landlords and Tax

If you let your property through an agent then the agent must operate the Scheme and deduct tax from your rental income, unless they receive written notification to the contrary. In simple terms, the Agent will either:-

- If authorised by the Revenue, pay the rental income to their non-resident client GROSS, or
- Deduct tax at the basic rate on the net income subject to certain allowable expenses and deductions.

If your tenant pays the rent directly into your bank account they must also operate the NRL Scheme and deduct tax, unless they receive written notification from the Inland Revenue's Centre for Non-residents (CNR) to the contrary.

The NRL scheme is operated by the Inland Revenue's Centre for Non-residents (CNR). Non-resident landlords can apply to the CNR for approval to receive their rental income gross or with no tax deducted (an 'approval'). If the application is successful, the CNR will issue a notice and the agent will not be required to deduct tax.

An approval will allow you to receive all rental income due without deductions to cover tax liabilities. The forms are available from CNR by phone or directly from their web site at www.hmrc.gov.uk.

Where a non-resident landlord qualifies for approval to receive rental income gross, the landlord should apply for approval as soon as possible. Only tax deductions made in a particular quarter can be refunded by the agent.

Who are non-resident landlords?

Non-resident landlords are persons (this term includes individuals, companies and trustees) who have:

- UK rental income, and
- a 'usual place of abode' outside the UK.

Conditions for applying to HMRC Residency for approval to receive rental income with no tax deducted

Non-resident landlords can apply to receive their rent with no tax deducted on the basis that either:

- their UK tax affairs are up to date, or
- they have not had any UK tax obligations before they applied, or
- they do not expect to be liable to UK income tax for the year in which they apply, or
- they are not liable to pay UK tax because they are Sovereign Immunes

What happens when approval is given?

When approval has been given, HM Revenue & Customs sends a notice of approval to receive rent with no tax deducted to the non-resident landlord, and a separate notice to the letting agents or tenants named on the application form authorising them to pay rent to the non-resident landlord without deducting tax.

Authority to pay rent to a non-resident landlord with no tax deducted is generally backdated to the beginning of the quarter in which HMRC receives the non-resident landlord's application. As the tax year for the Non-resident Landlords Scheme starts on 1 April, the quarters are the three-month periods that end on 30 June, 30 September, 31 December and 31 March. So if a non-resident landlord applies to us on, say, 20 September, the authority we send to his letting agent/tenant will usually take effect from 1 July.

Munrolock charge an additional fee to deal with the overseas tax and accounts for you as it involves a great deal more administration.



Inventories and check in/out

Professional, Independent Reports protect your property.



Inventories

An Inventory report is a complete record of the fixtures, fittings and décor of your property. The entire report works methodically from the front entrance through each room, and includes any outdoor space.

1. This is a comprehensive, detailed report of the contents of a property
2. Inventories will include every item, with description and comments on any deficiencies/damages, and the working order of certain items.
3. Utility meter readings are taken if location is known.
4. Once the accuracy of the report is agreed (see Check In below) this report becomes a binding document
5. Digital pictures can be provided.

Check ins

A Check-In report combined with an inventory creates a report specific to a tenancy. The check-in examines the property on the day that the agreement begins, noting the condition of furniture and fittings. Meter readings are noted.

The new tenants will be asked to sign for any keys that are passed over, and walked tenants through the property, highlighting any issues, with them. A Check-in provides a schedule of condition of the property and sets the standard at which the property should be maintained, and returned at the end of the tenancy.

1. This process is completed immediately prior to the commencement of the tenancy
2. The aim is to ensure that the inventory provides an accurate and fair description of the condition of the decor, contents, fixtures, fittings and furnishings
3. Where possible, items are tested for power and utility meter readings and details of keys/fobs to be handed over are noted
4. Both parties are entitled to add any extra handwritten notes to the inventory, before a table detailing the overall general condition of the property is produced and the Declarations signed.

Check outs

A Check-out report takes place at the most important point in your tenancy - when your tenants move out. The check-out compares the condition at the end of the tenancy to that on the inventory and check-in reports.

Each room in the report will have an overview and a detailed description of any changes that have occurred in the property. The report also notes final meter readings, compares keys returned to keys provided at the start of the tenancy and takes forwarding contact details for outgoing tenants when possible.

1. This report is produced to ensure that an accurate end-of-tenancy comparison is made
2. All items are checked and any damaged/missing items are listed
3. Where possible, items are tested for power and utility meter readings and details of keys/fobs to be handed back are noted.



The Association of
Professional Inventory Providers

Why is an inventory needed?

A professionally drawn up inventory and schedule of condition will protect you from any unwarranted disputes by the tenant at the end of the tenancy. If there is an insufficient, outdated or even worse, no inventory then you will have no evidence of what the property was like at the start of the tenancy.

This means that if you or the agent are unable to provide documentary evidence that the tenant caused damage, then you will not be in a strong position to make a claim, in the event the tenant contests the matter.

Why not save money and do it yourself?

Compiling an inventory and schedule of condition is a skill and should be carried out by someone qualified to do so. The inventory is an important document and one that may need to be relied upon as evidence in the event of a dispute and may be liable to the scrutiny of a Court of Law.

The inventory is not just a list of items placed in or on the premises, a proper inventory will include a schedule of condition of the property itself as well as the fixtures, fittings and contents. A professionally qualified inventory provider is also likely to be deemed to be impartial and will note the property in the condition in which it is found both at the start and end of the tenancy

How are inventories drawn up by the landlord considered?

It is considered that the landlord is likely to be more biased when drafting an inventory on their own property. Again clarity would be key to this exercise. It is important that the tenant has fair opportunity to make relevant response to the condition of items at both the start and finish of the tenancy and that every effort is made to reach agreement between the parties and thus the clarity of the document

Is it a legal requirement to have an inventory?

No. However the landlord will be unable to prove damage to a property without an inventory if the matter was disputed. Cases are now being processed where the landlord is failing to get any compensation where the evidence is insufficient.



Professional, well presented clerks
Fully insured
Excellent value for money
Comprehensive reports
Reports available online
Independent and unbiased
Available six days a week
Check in reports
Check out reports
Inventory Reports
Energy Performance Certificates

	Inventory Fees				Check in / out Fees			
	Unfurnished		Furnished		Unfurnished		Furnished	
		inc vat		inc vat		inc vat		inc vat
1 Bed / Studio	£65	£74.75	£85	£97.75	£60	£69	£70	£80.50
2 Bedrooms	£75	£86.25	£95	£109.25	£70	£80.50	£80	£92
3 Bedrooms	£85	£97.75	£115	£132.25	£80	£92	£90	£103.50
4 Bedrooms	£100	£115	£135	£155.25	£90	£103.50	£100	£115

Our Services and Fees explained - Flexible and Professional

A Customer Service approach

Let Service Only

**8% for 12 month tenancy (+vat) or
10% for 6 month tenancy (+vat)**

Let and Rent Collection

8% let fee plus 4% monthly (+vat)

Let and Full Management Service

2 weeks rent let fee plus 10% monthly (+vat)

Full Management Service no upfront fee

15% monthly, minimum 12 month tenancy (+vat)

Let fees are payable on the gross rental for the term of the tenancy and are payable at the beginning of the tenancy.



No Renewal Charges

We no longer charge recurring renewal fees for these services and prices. So if your tenant stays on longer than the original tenancy agreement, we will not charge you a renewal fee.

Tenancy Agreement

The tenancy agreement is **free** with the management service. Our agreement must be used with our management service. With rent collection and let only, the fee for the preparation of the tenancy agreement is £50 +vat.

Inventory and Check in

An Inventory and also a check in must be completed for any property in which we manage the property or hold the deposit. Prices are available in our landlord guide. The check out will be paid for by the tenant on all properties. We will organise a check in for all properties, but if there is no inventory it will only be a schedule of general condition.

Tenant's deposit

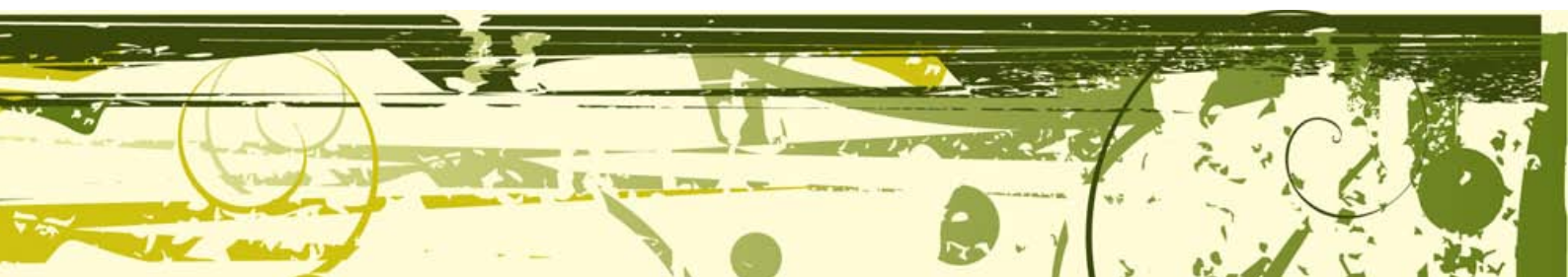
We generally take six weeks rent as a deposit. The Deposit must now be protected by one of the three schemes. You must supply details of your scheme to us. For managed properties, we will place the deposit in our designated scheme, for let only and rent collection, you will need to place it in your scheme, or we can deal with it for you for a charge of £25+vnt.



	Management	Rent Collection	Let Only
Members of the National Association of Estate Agents and Ombudsman	✓	✓	✓
List Properties with Rightmove.co.uk and Findaproperty	✓	✓	✓
Genuine networked offices - all properties available in all offices	✓	✓	✓
Viewing Reactions online 24 hours a day	✓	✓	✓
Full referencing by a professional referencing company	✓	✓	✓
Co-ordinate start, end and extension tenancy	✓	✓	✓
Drawing up and signing of documents	✓	✓	✓
Collect first months rent and deposit and set up standing order mandate	✓	✓	✓
Arrange inventory, check in, keys etc	✓	✓	✓
Changing gas, electricity, council tax, water etc into tenant's name	✓	✓	✓
Collect and clear monthly rent promptly	✓	✓	
Forward payments to your designated bank	✓	✓	
Send a clear, accurate and detailed statement of your account each month	✓	✓	
Chase any late payment and keep you informed	✓	✓	
Act as your tenants' contact for all property management issues	✓		
Inspect your property every 3 months and supply a report	✓		
Resolve all non-expensive problems quickly	✓		
Arrange estimates and organise repairs	✓		

Other Service we can offer and approx prices:

Gas safety certificate	£65 +vat
Electrical Safety Inspection	£75 +vat
Energy Performance Certificate	Prices in this guide
Inventory and check ins	Prices in this guide
Rent Protection Warranty Insurance	Please ask for prices
Buildings / Contents Insurance	Please ask for quote



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Beckenham, Kent, BR3 1AY
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Hayes Office

31 Station Approach
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Tel: 020 8462 8080
Fax: 020 8462 5055



Find a Property.com

Our main email address is **admin@munrolock.co.uk**.

Our website is **www.munrolock.co.uk**

