

**BREEZE RESIDENTIAL (DARTFORD) LIMITED**  
SPECIALIST RESIDENTIAL LETTINGS & PROPERTY MANAGEMENT SERVICE

LANDLORDS COMPREHENSIVE GUIDE TO LETTING

**INTRODUCTION**

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Breeze Residential (Dartford) Limited is a wholly owned subsidiary of the Breeze Residential Group, a specialist property & finance consultancy dealing in all aspects of residential sales, lettings, property management, investment & financial services operating in South East England from modern and stylish offices in Dartford, Kent.

In 2001, Breeze Residential acquired the entire management portfolio of Property Matters (Southeast) Limited, a company with 10 years experience in the Dartford area and a reputation for professionalism and care. In the summer of 2008 the Company expanded into new state of the art offices in Spital Street, Dartford and the current team of fully trained and experienced staff are on hand six days a week, to provide professional and expert advice on all aspects of residential lettings & property management, to both Landlords and Tenants alike.

It is an underlying dedication to honesty and a total commitment to excellence in all arenas, that sets Breeze Residential apart from it's competitors. If your objectives are to achieve the highest possible rent, in the time period that you require all with the least amount of inconvenience, then put Breeze Residential to work for you today. Your requirements are our objectives.

**BREEZE PRE-LET SERVICE**

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Essentially there are two types of rental property; investment properties and former homes. The first are purchased with the objective of generating income whilst the asset itself appreciates. The second, former homes, are rented out for a multitude of reasons and often through necessity rather than purely financial gain. At Breeze Residential we appreciate the emotional and financial bonds associated with a former home, and understand the importance of maximizing yields and seizing opportunities for capital growth, for the investor. In either situation, we will take the time to explain the details of letting in our free pre letting service.

The process begins with a free market appraisal of your property, where we will provide you with an accurate evaluation of the rent obtainable, in line with current market trends and discuss in more detail with you:

- Finding & securing the right Tenant.
- The Assured Shorthold Tenancy Agreement  
*The majority of residential properties are let under an "Assured Shorthold Tenancy Agreement" for a fixed period of 6 or 12 months. This important legal document is updated regularly to incorporate the latest legislation.*
- Tenant Referencing & Dilapidation Deposits (inc Tenancy Deposit Protection).
- Breeze Residential Services (*find tenant/rent collect/full management*)
- Landlords Responsibilities & Furnishing Requirements
- Rent Payments to Landlords
- Landlords Insurance & Rent Guarantee Scheme

**FINDING & SECURING THE RIGHT TENANT (FIND TENANT SERVICE)**

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Upon receiving your instructions, your property will benefit from high profile marketing with the aim of generating early interest thereby securing a suitable private or corporate tenant quickly. We advertise weekly in the area's leading publications, periodically

London wide, on the web and with your permission, we shall erect a distinctive "To Let" board. Breeze Residential also produce a property list which is widely circulated to companies, institutions and relocation companies in addition to the existing database of registered applicants on a regular basis all at no extra cost to yourself.

When a prospective tenant has been found, we obtain a £150.00 non refundable holding deposit, an application form is completed and references and a credit check are applied for with a reputable & independent referencing agency. References taken will include:

- Personal credit check
- Employers references
- Previous Landlord reference (if applicable)
- Accountant's reference (if applicable)

In the event that the applicant's gross income is less than 2.5 times the annual rent, a suitable\* guarantor will be required, and references will also be taken up on the guarantor as above.

(\*The guarantor must have an income equal to or in excess of 3 times the annual rent).

Breeze Residential will provide a Rent Guarantee for the term of the initial tenancy (maximum 12 months) for all new tenancies, where the tenants meet the minimum referencing criteria as detailed above. Clients instructing Breeze Residential, therefore do so in complete confidence that their interests are foremost and every care is taken to safeguard them.

Once the prospective tenants details are checked and approved, a move in date & time is agreed, and an Assured Shorthold Tenancy Agreement is drawn up for the term and the appropriate accompanying legal documents are prepared.

We will then make arrangements for all parties to sign the documentation, for move-in monies to be paid over and a standing order mandate to be completed for future rent payments to be paid directly into your nominated bank account. Move-in monies normally comprise, one months rent as a dilapidations deposit, to be held during the term of the tenancy and a months rent in advance. (Please note that where Breeze Residential are instructed on a Rent Collect or Full Management basis, advance rent is calculated on a pro-rata basis

Please note that it is the Landlords sole responsibility to ensure that the fixtures and fittings conform to the minimum legal standards (more details of which can be found later in this document). Under "Find Tenant" & Rent Collect" agreements, the Landlord will be responsible for the check in and for the transfer of utility and telephone accounts between parties, including compliance with the Tenancy Deposit Protection rules as defined in the Housing Act 2004 effective from 6<sup>th</sup> April 2007.

A landlord will be required to provide Breeze Residential with a detailed inventory and check-in report no later than 24 hours prior to the commencement of a new tenancy. Please note that Breeze Residential are happy to prepare these documents on your behalf (see schedule of additional services and charges)

Following the move in Breeze Residential will provide a single Statement of Account, copies of the tenancy agreement and relevant paperwork to enable you to manage the tenancy from day to day.

## **AFTER MOVE IN (RENT COLLECTION & FULL MANAGEMENT SERVICES)**

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**Rent Collect Service:** In addition to the services provided under the “Find Tenant Only Service”, Breeze Residential will collect the rent payments from the tenant, and forward payment to your nominated bank account, maintaining an accurate record of all payment transactions, providing you with a monthly statement, and chasing rent payments should they become overdue.

**Full Management Service:** The Full Management Service is particularly useful if you are living away from the area, or if you just want minimum involvement with the tenancy. It incorporates all that the “Find Tenant” & “Rent Collect” services provide and in addition Breeze Residential will continue to manage the property once the tenant moves in, looking after all the maintenance, supervision and administration on your behalf, alleviating you of the day-to-day concerns of renting.

Our main areas of responsibility are:

- **Commencement of Tenancy:** We will prepare and agree with the tenant an inventory and schedule of condition at no extra charge and ensure that the dilapidations deposit is held in accordance with the Tenant Deposit Protection scheme as defined in the Housing Act 2004, effective as of 6<sup>th</sup> April 2007.
- **Utilities:** We will take meter readings and notify the relevant utility companies at the beginning and end of each tenancy, transferring the account into the correct name accordingly.
- **Outgoings:** On instruction we will deal with payment of ground rent, service charges, insurance, and any maintenance repair cost either from rental income received or from a working cash balance as agreed with the Landlord at the commencement of a tenancy.
- **Maintenance:** Attending to any query or complaint by the tenant and arranging for contractors to carry out the appropriate repairs, apportioning the charge as appropriate between Landlord and Tenant. Where possible we will provide you with estimates for such work, however in emergencies this may not be possible. Although we shall do our best to query any obvious discrepancies it must be understood that we are entitled to pay and accept without question, demands and accounts which appear to be in order. It is in your best interest to take out a service contract for the gas central heating boiler and also wherever possible for major domestic appliances. All electrical appliances must be serviced and new appliances which are under guarantee should be tested and all plugs checked.
- **Management Visits:** We will undertake regular management inspections, visiting the property not less than three times a year, reporting back to the landlord on it's visual condition.
- **Incidentals:** Breeze Residential are happy to deal with any incidental matters that arise during the tenancy, for example, forwarding odd pieces of mail that slip through the postal system. It is advisable to set up a mail redirection service via the Post Office as we cannot be responsible for any delays, or loss of mail.
- **End of Tenancy:** Breeze Residential will arrange for an inventory “check-out” and a schedule of dilapidations will be produced. The dilapidations deposit will be returned to the tenant subject to fair costings for dilapidations and receipt of paid termination accounts. We can arrange for cleaning and/or dilapidations to be rectified on your behalf. Our aim is to minimise any loss of rental income if it is your intention to re-let the property. Therefore our contracts have been designed to provide for a marketing period, to commence one month before the end of the tenancy.
- **Tax** We will collect and pay your income tax liabilities if applicable. (see Overseas Landlords)

## **YOUR LEGAL RESPONSIBILITIES TOWARDS YOUR PROPERTY**

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These legal requirements are issued as a guide only – please seek proper legal advice where appropriate.

### **The Housing Act 2004 – Tenancy Deposit Protection**

Tenancy Deposit Protection ('TDP') applies to all new assured shorthold tenancies ('AST's') in England and Wales where a deposit is taken, from 6<sup>th</sup> April 2007. It does not apply to 'assured' (non shorthold) or 'contractual' tenancies (e.g. company lets or where the property is not the sole or main residence of the tenant or where the rent exceeds £25,000 pa), nor does it apply to agricultural tenancies or tenancies where the landlord is resident i.e. taking in a lodger.

In summary Communities and Local Government state:

- Landlords and Agents are required to join a statutory deposit scheme if they take deposits.
- This will ensure deposits are safeguarded.
- Tenants will get all or part of their deposit back, if they have kept the property in good condition and are entitled to get the deposit back.
- The scheme offers alternative ways of resolving disputes which aims to be faster and cheaper.

Under the new regulations a landlord is unable to regain possession of the property (where it is let under an AST commencing after 6<sup>th</sup> April 2007) under a section 21 notice if the deposit has not been safeguarded, OR the prescribed information has not been given to the tenant within 14 days of the Landlord/Agent receiving the deposit. In short this means that if a tenant refuses to vacate and the landlord has not complied with the regulations as to holding the deposit or providing the prescribed information in the required timescale, the court would not grant an order for possession under section 21 of the Housing Act 1988.

Like most government acts the legislation is too extensive to detail here, however we would be more than happy to discuss your obligations in greater detail upon request.

### **The Furniture and Furnishing (Fire), (Safety) Regulations 1988 as amended.**

It is an offence to supply certain furniture in the course of business unless it complies with what is called the "cigarette test", the "match test" and the "ignitability test". The regulations cover in general terms, all upholstery and upholstered furniture, loose fittings, permanent or loose covers. Since 1<sup>st</sup> January 1997, the regulations apply to all rental properties, however it does not apply to furniture that was manufactured before 1<sup>st</sup> January 1950.

To check whether your furniture complies look for the attached labels. If the furniture no longer has these, you must establish when and where the furniture was bought. If you are unable to establish whether the furniture complies, you must replace the relevant item of furniture.

The DTI has issued a very helpful guide to the Furnishing Regulations and a free copy is available upon request.

Please note that it is illegal to let a property with furniture that does not comply with these regulations.

### **The Gas Safety (Installation and Use) Regulations 1994.**

In October 1994 the Gas Safety (Installation and Use) regulations came into force. These are requirements relating to the installation and use of gas appliances & pipework and are enforced by the Health & Safety Executive. All gas appliances (including propane gas), i.e. cookers, fires, boilers, water heaters etc must be inspected at intervals of not more than twelve months by a qualified "CORGI" registered tradesman. Records must be kept of all inspections and a copy provided to the tenant by law.

Only qualified firms or individuals that are "CORGI" registered may install or maintain gas appliances. Please note however that some "CORGI" registered installers are registered for non-domestic work only. It is therefore necessary to check their registration details before instructing them to carry out the work.

**If the Landlord elects for the "Find Tenant Only" or "Rent Collect" service, he is responsible for the compliance of these regulations, which are mandatory. The tenancy cannot be permitted to commence without the appropriate certificate. If, two days before the tenancy is due to commence, we do not have a valid certificate, we will arrange for the works necessary to obtain the certificate and pass the charge to the Landlord at a cost.**

Please note: If Breeze Residential are instructed to manage the property, we will arrange the works necessary to obtain the certificate in any event.

This legislation is covered under criminal law and non-compliance could result in a fine of up to £5000 and/or a manslaughter charge.

As from January 2008 new rules have applied to the installation of any flueless gas appliances in flats. Essentially these rules will require any new gas cooker or flueless gas fires installed in a flat will need to be fitted with a flame supervision device (FSD) to each burner. An FSD cuts off the gas in the event the flame goes out. The rules effectively only apply to the 'new' supply of a cooker, but any that are not compliant will be noted as 'Not to Current Standards' on the CP12.

Our staff would be happy to talk to you about these regulations and/or for further advice you can phone the Gas Safety Action Line on 0800 300363.

### **The Electrical Equipment (Safety) Regulations 1994**

It is the Landlord's responsibility to ensure that all electrical equipment supplied within the accommodation is safe and regularly tested. Such checks need to be carried out by a NICEIC registered electrician.

If equipment complies with an acceptable standard, eg a British/European Standard, then it will normally meet safety requirements.

The requirements cover:

- Labelling, construction, design and manufacture
- Insulation and earthing
- Protection from electric shock
- Adequate guards for radiator heaters preventing the generation of excessive heat, radiation or toxic gases
- The need to provide instructions for safe use

**If the Landlord elects for the "Find Tenant Only" or "Rent Collect" service, he is responsible for supplying details of the appliances and the appropriate fuses on a detailed inventory. The tenancy cannot be permitted to commence without this**

**information. If this information is not in our possession two days before the tenancy is due to commence, Breeze Residential shall arrange for an inventory to be prepared, the cost of which is to be borne by the Landlord.**

Please note that the detailed inventory is included if Breeze Residential are instructed under a full management contract.

**It is also a mandatory requirement that instructions for the use of all electrical appliances are provided to the tenant at the commencement of the tenancy. In the event that the original user manuals have been lost or destroyed, Breeze Residential are able to provide “Electrical Safety Guidelines” for the majority of Household Appliances for a small single charge, ensuring your compliance with these regulations.**

### **The Building Regulations 1991**

These regulations require that all properties built since June 1992, have mains operated interlinked smoke detectors/alarms fitted on each floor. Properties built before this date, do not have a statutory requirement, but we recommend that you consider the installation of smoke alarms in your property.

### **Energy Performance Certificates**

From 1<sup>st</sup> October 2008 it became law that all properties made available for rent in England are required to have an energy performance certificate (EPC). The report is required for new tenancies granted after this date and the certificate itself is valid for ten years from the date of issue. The certificate provides the landlord and tenant with a rating for the property showing its current energy efficiency and its environmental impact on a scale of A to G, where A is highly efficient and G is very inefficient, in a graphical format. It also provides recommendations for improvements and the potential rating once the improvements have been made. EPC's are produced using standard methods with standard assumptions about energy useage so that the energy efficiency of one building can be easily compared to that of another of the same type.

### **Property Matters Legal Newsletter**

The Legislation surrounding rental properties is constantly changing and in an effort to keep you up to speed with changes that affect you, Breeze Residential publish a quarterly newsletter to clients via our website. A hardcopy is available upon request.

### **OTHER REQUIREMENTS**

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The presentation of your property is vitally important, not only to obtain a good rental income, but in attracting a responsible and motivated tenant.

The term “fully furnished” means just that; the property should be fully equipped to include soft furnishings, kitchen equipment and utensils, wardrobe space, cleaning equipment and if applicable garden tools.

Many properties are now offered “part furnished” which is interpreted in many different ways, however as a general rule, the minimum requirement here is a cooker, refrigerator and beds.

“Unfurnished”, will mean that the property is empty except for floor coverings and possibly curtains.

As most modern properties come with fitted kitchen appliances but are often left otherwise unfurnished, these are regarded as “unfurnished with white goods” rather than part furnished.

If the property is an investment purchase, an attractive, well designed package will present your investment to it's best advantage and we are able to provide decorating/refurbishment and interior design services upon request.

Your property should be left as clean as possible with any outstanding maintenance issues attended to, before the tenant occupies.

## **The Right to Let**

### **1. Mortgages**

When a property is subject to a bank loan or mortgage, permission is required from the lender before the property can be let. It is the Landlord's responsibility to obtain the necessary permission and we strongly advise that this is applied for at the earliest opportunity we may require confirmation from a lender consenting to the letting. Please note that applying for permission after the tenant has been found could prejudice the tenancy, if permission is not granted.

### **2. Leasehold**

If you own a leasehold property you must ensure that letting is allowed under the terms of the lease and whether written permission is required for you to sublet. We may require confirmation of consent.

When you sign the contract you are confirming that you have the right to instruct us to let the property and it will be deemed that you have obtained the necessary consents.

## **Overseas Landlords**

In accordance with the Finance Act 1995 if you are moving abroad, it is your responsibility to inform the Inland Revenue of the Tenancy. The Inland Revenue has introduced a Self Assessment system, and all overseas Landlord's may apply for a Certificate of Self Assessment in order for rents to be paid over gross.

Should you not apply for or if you are refused Self Assessment, the Commissioners for the Inland Revenue will hold us responsible for the payment of any tax liability that arises on rental income, and we are required by law to deduct tax at the basic rate (currently at 22%) from the net rental income and pay this on a quarterly basis to the Inland Revenue.

If during the tenancy you move abroad, then the aforementioned applies from the date you leave the country. Form NRL1, on which to claim “Self Assessment” is available from our office upon request.

Please note that we are not qualified accountants, and we would therefore recommend that you instruct an accountant or tax advisor to clarify your assessment, as your actual liability may be less than the amount we are required by law to pay over.