

## Landlord's guide and Information about our services

Thank you for requesting our brochure, which we hope you will find useful. As residential letting and managing agents, we provide a comprehensive letting service.

Bowen have been involved in the letting and management of residential dwellings for five generations. We currently let and manage over 750 dwellings throughout Shropshire, North & Mid Wales and into Cheshire.

This experience combined with our in-depth knowledge of the local and regional rental market, enables us to find the right contract-holder for each and every dwelling, maintaining our high levels of client satisfaction

The following pages contain a landlord's guide to letting along with details of our terms and conditions. If after reading the brochure you have any queries, please feel free to call the office and we will be happy to assist in any way we can.

### Letting The Dwelling

Once instructed as sole agents we will commence a search for a suitable contract-holder. As soon as a suitable prospective contract-holder has been found we will negotiate the terms and commence the vetting procedure. If you wish we could arrange a meeting with you before a decision is made.

### Material Information

Material information is any information that might, if known, mean a prospective contract-holder would make a different decision about proceeding with a viewing, an application or a tenancy. We have already been required to give material information; however, National Trading Standards has now instigated minimum material information requirements. If the information is not given then a property may not be marketed. Information that must be included in all written marketing information will initially mean relatively minor changes to the marketing requiring, in Phase A, the inclusion of the council tax band and information on the rent and any deposit. Phase B requires information affecting all properties, such as utilities, broadband speeds and anything affecting the fabric of the building e.g., cladding. Phase C is property specific and requires disclosure of information on, for example, restrictive covenants, local planning applications and flood risk etc.

These are minimum requirements and we will be unable to start marketing without this information. This should not, however, be seen as the only material information required and we will ask that you also disclose anything else that might affect a consumer's decision such as neighbour disputes, an intention to sell after the first fixed term or that the property was the scene of a notorious crime.

### References

Under our full management service, we take references appropriate to the potential contract-holder. This may involve using a specialist agency to carry out a detailed check including the credit and employment history of the prospective contract-holder. If there were any question of doubt about the ability to pay the rent, or perhaps job security, we would only advise upon proceeding if a suitable Guarantor could be provided.

### The Occupational Contract

We will discuss with you the best terms and conditions then prepare the appropriate legal contract. Further to Renting Homes (Wales) Act 2016 an occupation contract is required for a minimum term of six months. If you require the dwelling back, notice cannot be served until the end of the initial six period, and the notice period is now 6 months. On request, we will deal with this and also the necessary procedures should you decide with the contract-holder that the term might be extended.

### Mortgaged Dwelling

It may be that your dwelling is mortgaged to a building society, bank or other lender. If so, the mortgage deed will almost certainly require the written consent of the lender to be obtained before you let the dwelling. If your dwelling is mortgaged, you should apply for consent. Lenders will not deal with us in relation to the mortgage and so you will need to fill out their application form, though we would be happy to help and provide any information necessary. Occasionally it will be a condition of consent to the proposed letting that your mortgage interest rate is reviewed for a buy to let mortgage, and it is therefore

advisable for you to approach your mortgagee at an early stage to see what the financial consequences are likely to be. Some lenders charge an administration fee.

## **Leasehold Flat And Other Dwelling**

If your dwelling is leasehold, you may require the consent of the freeholder for your proposed letting that the intended letting is for a period expiring to the termination of your lease.

## **Restrictions etc. Affecting Your Dwelling**

Whether your dwelling is freehold or leasehold there may be special rights or restrictions affecting it (for example, a prohibition on more than one family or the parking of a caravan on the drive). We will need to have details of these to include with the initial marketing in the Occupational Contract. This is material information.

## **Development Permissions**

If the dwelling has been redeveloped in recent years, the planning consent issued by the Local Authority will have stipulated how the dwelling can be used post redevelopment. It is the Owner's responsibility to check that the necessary consents are in order to rent out the dwelling.

The Owner and not Bowen will remain solely responsible for any breach of this obligation and will indemnify Bowen against any loss arising in any way from such breach.

## **Attic, Cellar and Excluded Areas**

We do not inspect the above areas, but we may ask you to confirm the contents of these areas (if any) as this may affect safety issues. During our routine visits to managed dwellings we will not inspect these areas unless requested to do so. Under the Renting Homes (Wals) Act 2019 you must not store items in the dwelling once let.

## **Specialist Landlord Insurance**

We always advise Landlords to make sure that the dwelling and its contents are adequately insured (unfurnished properties may still have contents such as curtains, carpets, white goods etc) under a specialist landlord insurance which includes a rent guarantee/insurance scheme and to ensure that a minimum level of third party liability cover of £1 million is maintained. It is extremely important that you advise your insurance company that you are proposing to let your dwelling and that you confirm to them once this has been done. Failure to do so could result in you losing insurance cover. Some insurers impose letting conditions and we would require details as this may affect the choice of contract-holder. In particular Bowen cannot accept responsibility for the inadequacy of any insurance cover.

## **Income Tax**

Income received from letting your dwelling will be subject to income tax and you will need to include details of the income and allowable expenses when completing your income tax return. The Inland Revenue may ask us directly for details of any income we pay you and we are obliged to supply these details.

It is essential that we know where you live. If you live abroad we, as your agents, will be required by the Inland Revenue to pay any tax liability that arises on rents collected by us on your behalf. We will therefore deduct income tax at the basic rate from rent payments received received, less allowable expenses that we have paid, and these monies will be paid to HM Revenue and Customs. You may be entitled to receive rent without deductions of tax and we strongly recommend you consider this. If you live outside the UK, we will be happy to advise you on this and provide a link to the relevant Non-resident landlord application form with which to join the scheme allowing gross payment of rent. The non-transferable approval will, if granted, be sent to us as the letting agent. You will need our scheme number to complete the application to join the scheme. If approval is not received, we will have to operate the scheme.

## **Deposit**

Under laws introduced in 2007, any monetary deposit we take from a tenant in relation to any assured

shorthold tenancy must be protected with one of the Government approved schemes within a specified time period. In addition, the required information must be given to the tenant and any person who funded the deposit, again within the specified time period. In the event of non-compliance with the above, the consequences can be twofold; being (a) a penalty of between one and three times the deposit value, due to the tenant/person funding the deposit and/or (b) the inability to serve a valid notice of termination unless the deposit is returned in full or less agreed deductions (or you have already been sued for the financial penalty).

We normally collect a security deposit from the tenant. For occupation contracts covered by the Renting Homes (Fees etc.) (Wales) Act 2019 the amount of a deposit may be limited by Regulation. At the time of writing, we limit the value of 5 weeks rent unless instructed otherwise. This is held in our client account or by one of the above deposit schemes. At the end of the letting, this is returned to the tenant, less any deductions made to cover breaches of the agreement. Where we hold the deposit, we will hold the deposit as stakeholder. This means we will hold the deposit on behalf of both parties and will be unable to refund or pay all or part of the deposit to one party without the consent of both parties. We are therefore unable to deduct monies from the deposit without the tenant's consent or the decision of adjudication or the court. We have a procedure for dealing with disputes about the deposit and we will always use every endeavour to settle matters quickly and satisfactorily. If we are not able to settle the dispute, it can be resolved by the deposit scheme adjudication or a court order. We do not pay interest on client monies held.

Where we, as the agent, receive a deposit from the tenant on behalf of a Let Only landlord we as the party who received the deposit is responsible for ensuring that the deposit has been registered within 30 days of receipt and for the issuing of the deposit Required Information. We will only transfer the deposit to a landlord once we are assured that the deposit has been registered and that the Required Information has been issued. If it becomes necessary, we will take steps to ensure our compliance.

## **Dilapidations**

It may well be that the deposit collected at the start of the contract, fails to cover the cost of remedying the dilapidations. In such cases the cost of pursuing a legal claim may well be in excess of the amount owed, Landlords should be prepared to spend sufficient money between contracts to remedy such excess dilapidations and 'fair wear and tear' for which the contract-holder is not responsible.

## **Rent**

The rent is usually payable monthly in advance. Under our full management service, we will collect the rent and account to you at agreed periods (usually monthly), bank charges and interest are not payable on this account.

If more than one month's rent is paid to us, we will only be able to account to you monthly, to ensure we hold funds to be able to manage the property. We try and pay rent to landlords within five working days of receipt of cleared funds. Occasionally, this can be later during periods such as Christmas. We will always use our best endeavours to collect the rent on time. Should a tenant be late, we will advise you and pay the rent due as soon as practical after it is received. In common with all letting agents, we cannot be liable for non-payment of rent.

In order to minimise our environmental impact, we will email rent statements and invoices and landlord payments will be processed by BACS transfer.

## **Bills and Services**

We will always use our best endeavors to collect the rent on time. Should a contract-holder be late we will advise you and pay the due rent as soon as it is received. In common with all letting agents, we cannot be liable for non-payment of rent. It is usual for the contract-holder to pay charges for Council Tax, electricity, water, oil and gas. We will notify the authorities and service suppliers and, if necessary, take meter readings. (Contract-holders are entitled to change suppliers for gas and electric although we always encourage them to remain with the existing suppliers.)

## Landlord Obligations

It is always the Landlord's obligation/responsibility to keep the dwelling and the services such as central heating in repair. Under our full management service we can will agree with you provision for emergency repairs such as a burst pipe. Under the Renting Homes (Wales) Act 2016 (as amended) there is a requirement that the property will be fit for human habitation at the start of the contract and will remain fit for human habitation throughout the tenancy.

## Cleaning

Whether the dwelling is furnished or unfurnished, it is important that the dwelling is clean throughout before the contract-holders move in. We strongly recommend that the dwelling, including carpets, is professionally cleaned and if necessary, the garden made tidy and gutters cleared. For our managed dwellings an inventory will be taken to help us ensure that the contract-holders meet their obligations.

## Inventory

Our fully managed service includes production of a detailed inventory of the dwelling including a Schedule of Condition. We will update this during the period we are letting the dwelling as each contract-holder moves out. When a contract-holder is checked into the dwelling, we give the contract-holder a fair opportunity to check the inventory and we will deal with any discrepancies. We also do a detailed check out (full management service only) when the contract-holder vacates, and we will report our findings to you.

## Contract-holder Information

Prior to taking possession we will provide the contract-holder with an Information Pack setting out necessary details for residing in the dwelling, detailing their obligations and explaining our procedures and expectations.

## Legal Regulations

There are strict regulations relating to the fire resistance of soft furnishings that are included in the letting. There are some exemptions, but a breach of these regulations can result in criminal proceedings. If you propose to include soft furnishings, this is a specialist area and you are advised to comply with Furnishings (Fire) Safety Regulations. The regulations make it clear that there must be no non-compliant furniture on any part of the dwelling including garage and attic.

Under current safety regulations it is the Landlord's responsibility to ensure that the gas and electrical systems, heating and water systems and appliances at the dwelling are maintained in a safe condition and serviced by a qualified contractor.

A gas safety check must be carried out and a safety record issued to the tenant before they occupy the property. Also, under guidance from the Health and Safety Executive, landlords have a legal duty to carry out a risk assessment for legionella in each rented property.

An electrical installation check must be carried out at least every five years and the report given to the tenant along with evidence of any remedial work carried out since the last inspection before they occupy the property or within 14 days of occupation or of the inspection for an existing tenant.

Following the Grenfell Tower tragedy, new legislation has passed through Parliament which amends the Regulatory Reform (Fire Safety) Order 2005. As a result, there is new legislation affecting any building with two or more domestic premises as well as buildings with communal areas such as blocks of flats, converted buildings or indeed bedsit buildings.

The current requirement is that the person in control of a building with communal areas must carry out and review a fire risk assessment. In order to demonstrate compliance, a written record should be retained. New information relating to the structure of the building including but not limited to external walls, windows and doors in those walls in the communal areas and doors to individual premises will be required. Anything attached to the outside of the external walls such as balconies will also be included.

Dangerous cladding on buildings is in the process of being replaced. Any building over 18 metres tall which

# Landlord Guide (Wales)

has not had the offending cladding removed must have additional measures in place such as the 24-hour walking fire watch. Whilst letting a property with dangerous cladding is not prohibited, it is material information and therefore we must disclose this to prospective and existing tenants. This may impact on a prospective tenant's decision to rent the property and the tenant's quiet enjoyment of the property during remedial works which may both negatively affect the level of rent.

The dwelling must be a safe environment for contract-holders and we will assist you in checking all safety aspects of the dwelling prior to the contract-holder moving in.

If any appliances are included in the letting it will be the Landlord's responsibility to ensure they are safe when the dwelling is let. The law may also require the landlord to repair or replace these should they become defective.

You will need to remove old or defective appliances such as cookers from the letting. Plugs and socket regulations apply and you must ensure that all plugs, leads and sockets are checked for safety and correctly fused before a tenant takes possession.

Where electrical appliances are included, we are obliged to supply safety instructions; please provide us with any that you have for the appliances.

An energy performance certificate is legally required for the marketing of a residential property. Details of a qualified "domestic energy assessor" who could conduct such a certificate on your behalf can be found via this web link [www.gov.uk/get-new-energy-certificate](http://www.gov.uk/get-new-energy-certificate) or please contact this office as we can arrange a certificate on your behalf using one of our approved contractors. To comply with the Minimum Energy Efficiency Standard (MEES), the EPC rating has to have an 'E' rating or above. If the property has a rating of either 'F' or 'G' then unless there is a valid registered exemption, or an EPC is not legally required, the property cannot be let.

Rented properties in Wales must be fitted with a hard-wired, interlinked, working smoke alarms on each floor of the property and these must be kept in repair and proper working order during each period of occupation. A working carbon monoxide (CO) alarm must be fitted in any room (including a hall, landing or corridor) containing any fixed fuel combustion appliance. Non-compliance with these requirements will render the property as 'unfit for human habitation' meaning that rent is not payable, and notice may not be served. We can arrange compliance before the occupation of the property.

If the property has working open fireplaces, we recommend that you arrange for the chimneys to be regularly swept. We can arrange these matters on your behalf.

A contract-holder or other party may ask the local authority to carry out an inspection of the dwelling under the Housing Health and Safety Rating System. The local authority has significant powers to require dwelling owners to make the dwelling safe. The system is based on whoever may be considered the most vulnerable person to occupy the dwelling. We will explain how these regulations may affect you. We will also assist you with outcomes of such an inspection. However, this is not included in our standard fee structure and we will charge fees based upon an hourly rate applicable at the time if you require our assistance.

There are definitions about what constitutes a house (residential dwelling) in multiple occupation. We will advise you about this as there are legal consequences in letting a dwelling to sharers.

Under The Consumer Protection from Unfair Trading Regulations 2008, landlords could be held criminally liable for misleading statements or misleading omissions in the marketing details that they approve.

## **Data Protection**

The UK General Data Protection Regulations (UK GDPR) came into force on 25 May 2018. Amongst wide ranging regulations concerning the processing of personally identifiable information is a requirement for Data Controllers to pay a data protection fee to the Information Commissioner's Office and details of the fee will be placed on the register. Our understanding is that landlords are Data Controllers and therefore must pay the fee and be compliant with the UK GDPR. It is the responsibility of the landlord to ensure compliance with these requirements and penalties can be levied by the Information Commissioner's Office for non-compliance.

A landlord will be a Data Controller where for instance they store personal data of the tenant, or other data subject, for instance a copy of the tenancy agreement or even emails identifying a data subject.

# Landlord Guide (Wales)

A landlord will also be considered to be a data controller where they simply make a decision involving the processing of data held by the letting agent e.g., asking the letting agent to serve a notice seeking possession.

## **Fitness For Human Habitation**

There is a legal requirement for occupation contracts and an implied covenant in all other tenancy agreements that a property should be fit for human habitation both at the start and during the tenancy. Landlords (or their agent) will be responsible for attending to disrepair/fitness issues once they are notified although, where this is in a communal area, the responsibility begins immediately any such issues occur. It is vitally important that documented routine visits are carried out in order to identify disrepair or potential problems before they give the tenant any cause to go to court. We recommend that landlords respond promptly to reported issues and implement an ongoing maintenance regime.

Under the Renting Homes (Wales) Act 2016, a breach in respect of the smoke and carbon monoxide alarm requirements will mean that the property is deemed as being unfit for human habitation. Converted occupation contracts, where the tenant remains the same, must comply before 1 December 2023.

We will try and identify any issue which is apparent to us; however, if you have any concern about issues that are not so obvious, we recommend that you discuss the situation with us at the earliest opportunity.

## **Rent Smart Wales (RSW)**

All landlords of properties in Wales must, under the Housing (Wales) Act 2014, be registered with Rent Smart Wales and must register each property held under that landlord. If, as landlord, you will be or are involved in the letting or management work you must also be licensed by Rent Smart Wales.

Landlords who are using our Full Management service need only be registered as we will be undertaking the lettings and management work under our Agent Licence.

## **Rent Smart Wales: Code of Practice**

It is the responsibility of the managing agent or other licence holder to ensure that they comply with the Rent Smart Wales Code of Practice requirements, it should be noted that failure to adhere to the Code of Practice can result in the licence being at risk.

One of the requirements of the Code is that Health and Safety information including asbestos for the property is given to a contractor. The current Rent Smart Wales guidance concerning asbestos says that an asbestos risk assessment is carried out by a competent person in respect of every rental property. The assessment may be that there is no risk as the building postdates the use of asbestos in buildings so for instance any property built in the 21st century would pose little risk; however, a risk assessment stating this is still required. Where there is a risk of a contractor being exposed to asbestos, any knowledge obtained must be passed to the contractor. The contractor is still liable to carry out their own risk assessment.

## **Renting Homes (Fees etc.) (Wales) Act 2019**

Schedule 1 of the Act identifies payments that are permitted to be paid by the tenant for some lettings. Any other payments are prohibited and requiring or taking a prohibited payment may lead to fixed penalty notice and a £1,000 fine or a criminal prosecution and an unlimited fine. We will take into account the guidance offered by the Welsh Government and ensure that, as far as possible and until the courts provide decisions, our tenancy agreement is compliant.

## **Money Laundering**

The 5th Money Laundering Directive brought letting agents into the scope of the money laundering legislation. Rents are generally seen as low risk for money laundering activities as rent is paid in exchange for the occupation of the property; dirty money is not cleaned and returned. A letting agent under this legislation is only a letting agent if they collect a rent under a single tenancy that exceeds the equivalent of 10,000 Euros per month. The vast majority of letting agents and landlords will be unaffected.

Where an individual monthly rent exceeds this amount, the letting agent will be required to register with HMRC for money laundering purposes. Customer due diligence must be carried out on tenants and landlords which will include both identifying and verifying the customer and obtaining information relating

# Landlord Guide (Wales)

to who the beneficial owner of a property is. An example would be where the landlord is a trust; the identity of the trust's beneficiaries would be required.

There is a general duty for anyone who has suspicions of money laundering or terrorist financing to complete a Suspicious Activity Report and send it to the National Crime Agency.

## **Routine Visits**

With our full management service we may make regular visits to the dwelling on your behalf and advise you of any potential problems. The main purpose of such visits is to check if there are any matters that require your attention. We also seek to check that the contract-holder is abiding by the contract and not damaging the dwelling. We also give the contract-holder advice, if necessary, on any defects we may find. However, contract-holders do have a right of privacy and we, and you as landlord, can only enter the dwelling with their consent. Similarly, we are not able to comment on the contract-holder's life style or cleaning ability unless the dwelling is being adversely affected.

## **Landlord's Protection Insurance And Rent Guarantee**

No matter how well prospective contract-holders are vetted, there is always the risk that a contract-holder will prove to be unsatisfactory, sometimes due to unforeseen changes in their own circumstances. Whilst court proceedings can be taken to enforce the terms of the occupation contract this is often expensive, and it is unlikely that you will be able to recover the full costs involved from the contract-holder. We strongly recommend that you consider taking out legal protection insurance to guard against the risks involved. Similarly, insurance is available so that your income from rent is not lost in the event the contract-holder stops paying.

## **Problems With The Contract-holder**

In the event of difficulty, whether because the contract-holder is failing to pay rent or has broken other terms of the Occupational Contract, we will be pleased to discuss with you the steps to enforce the terms of the Occupational Contract. However, we would stress that the vast majority of lettings we manage are uneventful and trouble free. We will assist with any eviction proceedings, but our management fee does not cover this. We will charge fees based on time and will always be happy to give details of the charging rate and an estimate where appropriate.

## **Pets**

It will be a condition of the tenancy that the tenant must return the property in the same condition in which it is provided less allowable wear and tear. Under the Renting Homes (Fees etc.) (Wales) Act 2019, we are unable to require a tenant to make a payment to a third party (getting the carpets professionally cleaned/ flea treated etc.), although they may choose to do so. If the tenant does not return the property in the required condition, a deduction from the deposit may be agreed or a dispute raised which may include a carpet clean and pest treatment.

## Checklist

### Steps to be taken before a contract begins;

#### **Garden And Outside Areas**

Contract-holders are required to keep these areas neat and tidy. Standard of gardening ability and knowledge can vary considerably. If the garden is particularly important or has special features, we usually suggest that the landlord provide a gardener, the cost being included in the rent.

- Tell us which service you require
- Contact your Building Society, Bank or other lender for their requirements and written consent to let and conditions.
- Contact your insurer (buildings and contents) for details of their requirements and written consent to let and conditions (if applicable).
- Get written consent to let and conditions from any freeholder or property management company.
- Pay the data protection fee and provide relevant information to the Information Commissioner's Office (ICO).
- Decide which items (if any) are to be left at the dwelling and remove all valuables
- If the dwelling is furnished, ensure the furnishings comply with fire regulations
- Discuss safety issues with us
- Arrange for gas and electrical installation inspections and appliance safety checks along with a fire risk assessment, where applicable, for asbestos (where required) and legionella or ask us to deal with these.
- Provide safe use instructions for any electrical appliances supplied to the property.
- Check that working smoke alarms, as legally required, are present on each floor and that working carbon monoxide alarms are in each room with a fixed combustion appliance, and are fitted according to the manufacturer's instructions.
- Check that all or any disrepair at the property is attended to prior to the start of the tenancy
- Arrange for annual service of the heating and water systems and appliances or request that we deal with this
- Arrange an Energy Performance Certificate or request that we deal with this
- Arrange for the dwelling to be cleaned and presented ready for the letting or request that we deal with this
- Think about what level of work needs to be done in the garden – is this reasonable for a contract-holder or should you think about some form of gardening service.
- Arrange for three sets of keys to be given to us, one for us to keep and two for the new contract-holders.
- If you are moving overseas apply for an approval certificate to enable us to pay rent to you without deduction of tax details available at [www.gov.uk](http://www.gov.uk).
- Ensure that you are registered with Rent Smart Wales scheme details available at [www.rentsmart.gov.wales](http://www.rentsmart.gov.wales)