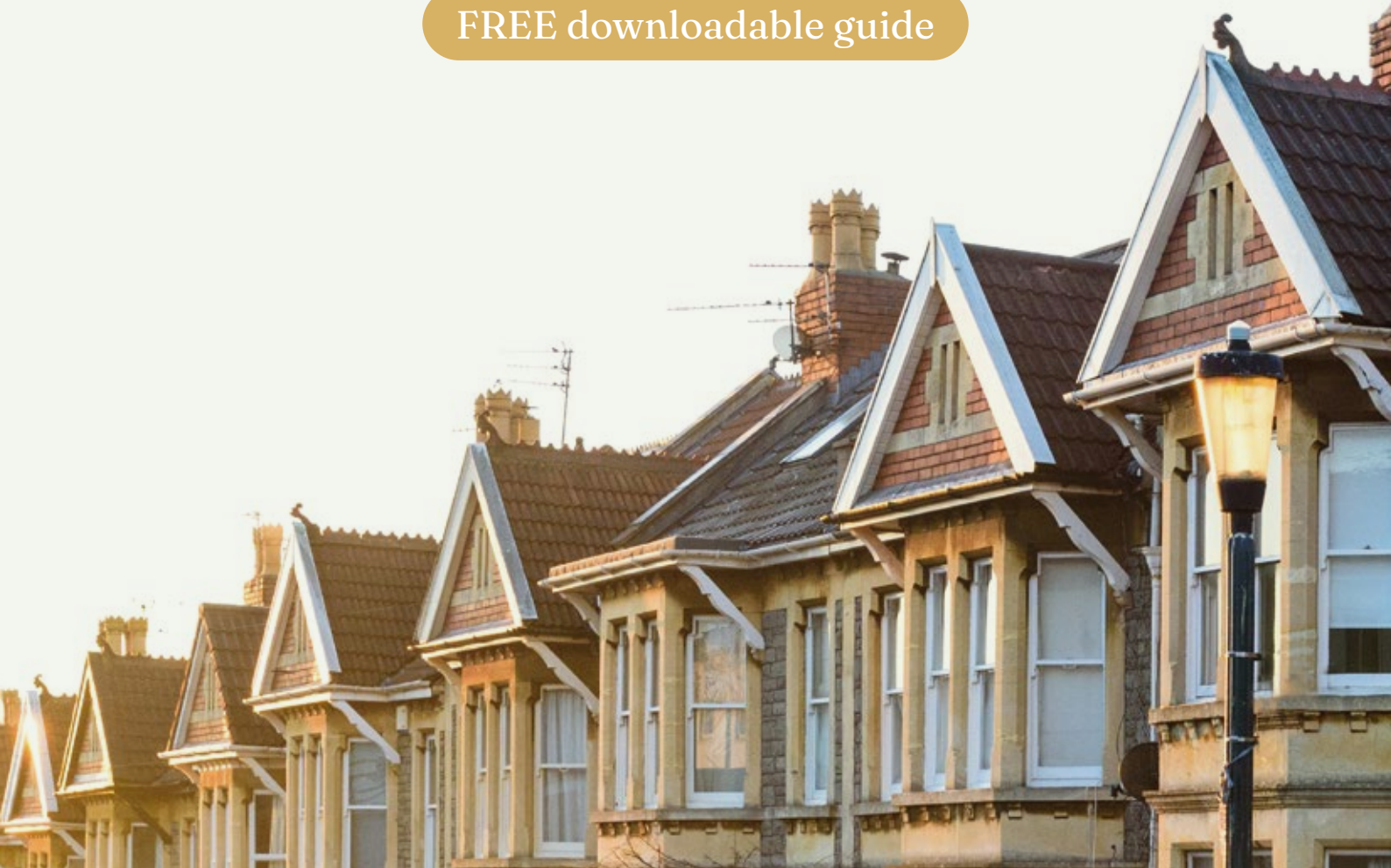




Our guide for first-time and established landlords

FREE downloadable guide



Our guide for first-time and established landlords

With ever-changing rules and regulations to abide by, becoming a landlord and managing your property is often a stressful and overwhelming experience for many.

At Pearson Ferrier, we're here to help relieve some of that stress. Having operated a successful property management service for 25 years, we've put together this comprehensive guide for first-time landlords, as well as established investors.

What are your responsibilities as a landlord?

Your responsibilities as a landlord will include but are not limited to:

- ✓ Keeping your rented properties safe and free from health and safety hazards
- ✓ Making sure all gas and electrical equipment you supply is safely installed and maintained
- ✓ Ensuring your property adheres to fire safety regulations
- ✓ Providing an Energy Performance Certificate (EPC) for the property
- ✓ Protecting your tenants' deposit in a government-approved scheme

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Nothing is too much trouble

All the staff at Pearson & Ferrier have always been helpful, I have used them for over 20 years buying, selling and as a landlord. Nothing is too much trouble, they always respond in a very professional manner.

Trusted customer



Impeccable communication

I would recommend Pearson Ferrier without question. They are the most professional estate agents in Bury by far. Communication has always been impeccable whether that was between the team and myself or the team, sellers or solicitors, they always gave 100%!

Trusted customer



By far the best

I have been a landlord for 15 years so have worked with various local estate agents and Pearson Ferrier Bury are by far the best. The team go above and beyond for their clients, they communicate everything clearly and speedily. I would highly recommend them as a professional and trust worthy agent.

Trusted customer

Health and safety requirements

Furniture and furnishings

The Furniture and Furnishings (Fire Safety) Regulations Act of 1988 mean that as a landlord, you have a duty of care to your tenant to ensure that any furniture you provide in your property is made from fire-resistant materials and adheres to the relevant safety standards. The best way for you to check this is by assessing the manufacturer's label, which should carry a fire-safety symbol. This legislation applies to all furniture except mattresses, bed-bases, cushions and bedding.

Smoke and carbon monoxide alarms

The Smoke and Carbon Monoxide Alarm Regulations (2022) mean that as a landlord, you are required by law to have at least one smoke alarm installed on every floor of your property. You should also have a carbon monoxide alarm in any room that contains a solid fuel-burning appliance (such as a coal fire or a wood-burning stove). It is essential that alarms are in working order at the start of each new tenancy; however, during tenancies, we would advise you to inspect smoke and carbon monoxide alarms whilst carrying out your routine property inspections.

Access to escape routes

It is your legal responsibility as a landlord to ensure that tenants have safe and reliable escape routes from every floor and room in your property. Escape routes could be external (such as stairways fixed to the side of your building) or internal. In order to ensure that escape routes can be used in emergencies, they require emergency lighting, and floors and walls should be made from fire-resistant materials. For larger buildings and HMOs (Houses in Multiple Occupation), there are more stringent requirements, which should be assessed by fire-safety professionals.

Fire extinguishers and blankets

Fire extinguishers and blankets are only obligatory in HMOs, where one fire extinguisher should be provided per floor, and one fire blanket should be provided in each kitchen. Similarly to alarms, fire extinguishers should be checked at the start of each new tenancy and checked periodically during routine property inspections. You are responsible for advising tenants on how to use fire extinguishers and blankets.

Summary

As a landlord, you are legally required to adhere to all relevant legislation and safety standards before allowing a tenant to live in your property. Failure to do so can result in hefty fines and even, in some cases, legal prosecution. Ignorance of the law is not considered an adequate reason for non-compliance.

Electrical safety inspections

It is your responsibility as a landlord to ensure that electrical wiring, sockets and fuse boxes are safe throughout your property. As of 2020, the Electrical Safety Standards in the Private Rented Sector Regulations specify that landlords should ensure all electrical installations within their rented properties are inspected by a qualified person at least every 5 years.

It is then your responsibility to obtain a report from this inspection and:

- ✓ Supply a copy of this report to your existing tenant within 28 days of the inspection
- ✓ Supply a copy of this report to any new tenant before they occupy the property
- ✓ Supply the local authority with a copy of this report within 7 days of receiving a request
- ✓ Where the report shows that remedial work is required, complete this within 28 days
- ✓ Supply written confirmation of the remedial works to the tenant and your local authority within 28 days of completion of the works

Portable appliance testing

A large percentage of accidental domestic fires are caused by electrical goods. As a landlord, it is, therefore, good practice to conduct periodic Portable Appliance Tests (PAT tests) on white goods such as ovens, washing machines and refrigerators. Whilst PAT testing isn't compulsory, it can protect you from the risk of fires from faulty or outdated products, particularly in large properties where electrical appliances may be used more frequently.

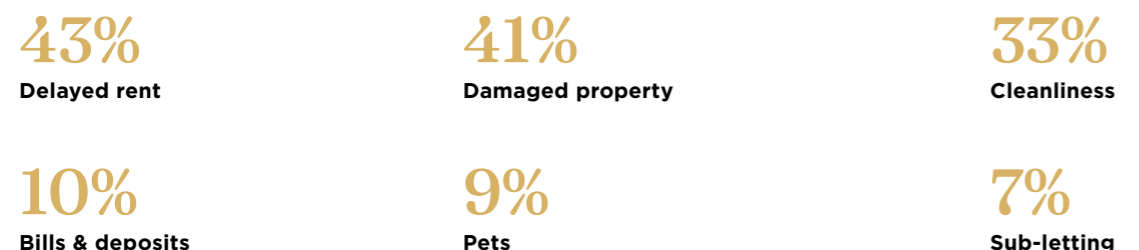
Gas safety

It is a legal requirement to have a Gas Safety Record for all gas appliances within the property. Gas appliances must be safely installed and maintained by a Gas Safe Registered engineer, and checks should be carried out every 12 months. As a landlord, you must also provide your tenant with a copy of the gas safety records before they move in or within 28 days of having an inspection carried out. Gas safety checks will also check for the presence of carbon monoxide in the property, meaning they are of crucial importance in protecting your tenants.



Choosing the right tenant

? Did you know? A quarter of landlords have disputes with their tenants at least once a year! Whilst the majority of landlords rarely experience tenant disputes, when they do occur, they are often extremely costly and time-consuming. In fact - a huge 34% of landlords admitted that 'bad tenants' are the most challenging aspect of their job - demonstrating just how important it is to pick the right tenant. Firstly, let's take a look at the most common causes of landlord-tenant disputes:



Things to consider before choosing your tenant

Choosing the right tenant for your property could feel like a daunting task if you've never had to do it before, and at Pearson Ferrier, we recommend considering the following factors before letting someone take residency in your property:

- ✓ **Enhanced credit checks**
Using enhanced credit checks to ensure a prospective tenant is able to commit to monthly rent payments, as well as other financial obligations or restrictions they may have, is always a great idea. It's important to thoroughly assess a tenant's financial status before offering them tenancy.
- ✓ **The right to rent in the UK**
You must ensure that your prospective tenant can legally rent in the UK by inspecting original documents, not copies of documents. With this said, as a landlord, you must not discriminate directly or indirectly on the basis of nationality, race, religion, disability or gender.
- ✓ **Using a guarantor**
Whilst using a guarantor isn't always necessary, having one in place provides you with the extra security of knowing that rent will be paid on time should your tenant have any difficulties. Whilst it isn't often that a guarantor will need to make payments on behalf of your tenant, they act as protection against your income and encourage your tenants to make payments on time.
- ✓ **Stable employment**
It is important to assess whether your prospective tenant earns enough income to not only cover their rent but to live comfortably after rent has been deducted. Checking a tenant's employment status, history, and bank statements can protect you against delayed rent payments and ensure that the tenant is comfortable with your agreed contract.
- ✓ **Communication skills**
As a landlord, you will be placing a great deal of trust in your tenant. You'll need to rely on your tenant to report any faults or repairs as soon as they occur - meaning it's preferable to have open and honest communication channels with them. Whilst this can be difficult to determine before you've got to know a tenant thoroughly, you may get a 'gut feeling' upon meeting someone as to whether you trust them.

Summary

As a landlord, it is crucial that you select the right tenant before offering them residency in your property. Failure to do so can result in a lot of issues further down the line and potentially be very costly. Thorough referencing is recommended to ensure you're getting the right fit for you and your property.

Insurance

? Did you know? The average landlord spends over £3,000 a year on their rental properties!

If you're considering renting out your property, it's a good idea to have landlord insurance. It covers the same things that your regular home insurance covers, alongside various other risks that come with a rental business, too.

There are several risks that come alongside being a landlord that simply aren't covered under regular home insurance.

For example: if your tenant is hurt or injured whilst living in your property, you could face legal claims or be sued. Furthermore, if a tenant cannot stay in your property in the event of a fire, flood or another disaster - your landlord insurance can cover the re-housing costs.

It might be easy to assume that owning a rental property is an easy and stress-free way of watching the money roll in, but there are often lots of hidden costs that add up.

In fact, recent figures suggest that the average landlord spends an average of £3,000 a year on their rental properties - with costs including repairing damages, renovations, replacing and repairing boilers, fixing structural property damage, decorating, and garden maintenance. It is estimated that 1 in 8 landlords do not have adequate insurance in place, which puts them at risk of losing up to £3,000 a year - and potentially, where legal complications occur, even more.

Summary

Make sure you have adequate landlord insurance, alongside your regular home insurance, to protect you from unexpected costs and bills!

Property inventories

A property inventory is a document that reports on the state of your property and its contents at the time of assessment. Our top tips for carrying out property inventories:

- ✓ **Timing**
Property inventories should be carried out twice in an identical manner. Firstly, at the beginning of the tenancy, and secondly, at the end of the tenancy. This allows you to clearly identify what may have changed during the tenancy.
- ✓ **Reporting of condition**
The most important aspect of property inventories is identifying the current condition of each part of your property. Many landlords forget to include parts of the property such as walls, ceilings, floors and doors - instead, solely focusing on the fixed furnishings. Both are important and should be included within your assessments.
- ✓ **Create two copies of the document**
Ensure that you provide your tenant with a copy of the inventory, as well as keeping a copy yourself. This transparency reduces the likelihood of disputes occurring at the end of a tenancy period - and clearly shows which damages or defects are the responsibility of the tenant.

Please note: Normal, fair wear and tear must be expected during the period of a tenancy.

Summary

We recommend all tenancies complete an accurate and up-to-date inventory for the property prior to the outset of any tenancy.

Mortgages

If you have a residential mortgage, it is against the terms of your loan to rent it out without the lender's permission. To do otherwise would be considered mortgage fraud - and could result in the repossession of your property.

Whether you switch to a buy-to-let mortgage or you receive 'consent to let' from your lender will depend on your particular situation. In any circumstance, you must request permission from your bank or building society before attempting to let your property.

Summary

Ensure you have sought the correct permissions from your mortgage provider before letting your property, or be prepared to have your home repossessed.

Maintenance

As a landlord, it is your responsibility to carry out repairs and maintenance on your property where necessary. This can be time-consuming, depending on the number of properties you're letting out.

Generally, you will be responsible for making any repairs to the property's fixed decor or furnishings - and anything that was already there when the tenant moved in. Though the specifics of what is your responsibility, and what is your tenants, should be outlined in your tenancy agreement.

Summary

Ensure you carry out regular maintenance on your properties when required.

How can Pearson Ferrier help you manage your properties?

Does that all sound like a bit of a headache? You're not alone.

It's a common misconception that property is an easy way to make a passive income stream - or something you can do as "a bit on the side". The reality is that becoming a landlord requires a thorough understanding of the legislation and regulations governing the industry, and is often extremely time-consuming.

Having operated a successful property management service for 25 years, here at Pearson Ferrier, we can guide you through the entire journey of letting out your property - from start to finish.

Many of our clients come to us having found themselves overwhelmed or a little lost with all of the responsibilities and legal obligations that they're required to adhere to.

We appreciate that being a landlord isn't always the easy route to a passive income that you may have expected it to be - but that's where we come in. Letting us manage your property, we will...

- ✓ Find you the best tenants for your property
- ✓ Protect you against being sued by tenants
- ✓ Ensure you *always* get your rent on time
- ✓ Make sure your assets are protected
- ✓ Take care of your legal paperwork, contracts and inventories
- ✓ Ensure you're compliant with health and safety regulations
- ✓ Conduct regular property inspections
- ✓ Carry out necessary repairs
- ✓ Be the first point of contact for your tenants
- ✓ Manage new tenancy agreements

Top 5 reasons to choose Pearson Ferrier as your Letting Agent...



1. We've 25 years' worth of experience

With over 25 years' worth of experience in property management, there's no team better equipped to look after your property and tenants. We've built a fantastic breadth of knowledge and expertise over the years, and have had first-hand experience handling almost any situation you could think of. You're in safe hands with us!



2. We provide a bespoke and personalised service

We spend the time getting to know all of our clients so that we can provide a bespoke and personalised service. Letting out your property can often be a big deal for new landlords, and we appreciate this. The deeper we understand you and your property, the more likely we are to select the best tenant for your property and provide you with the best service.



3. We'll protect your assets

Whilst we'd love to say that there's no such thing as tenant-landlord disputes or 'problem tenants', we know that they do exist. In the event that a tenant decides to take legal action against you, we'll protect your assets and property.



4. We ensure that you'll always get your rent on time

We'll ensure that you always get paid your rent on time, regardless of any disputes between you and your tenant. This provides security for your cash flow and gives you one less thing to worry about.



5. We have extensive knowledge of the local area

We've been based in Bury, Ramsbottom and Radcliffe for over 25 years now - and we know the local property market inside out. This means we are familiar with how to attract the right tenants for your property, know what levels your rent should be set at, and know how to get your property up to standard with that of the local market.

If you'd like advice, support, or assistance about becoming a landlord or managing your properties - please get in touch here or drop us a message at info@pearsonferrier.co.uk.



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