



Landlord's Guide



Our helpful guide for landlords

nextmoversidential.co.uk



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Hello from Next Move

Next Move Residential are Harlow's newest estate agency. Driven by our innovative approach to property sales, letting and management and combined with our numerous years of experience in the local area, we hope to establish ourselves and give added value to our Landlords by providing a modern and expertly composed product range, with outstanding customer service at the forefront of our operation. Our unrivalled local knowledge and previous track record of success will stand us in good stead as we are dedicated to achieving the best price and finding the right tenant for you.



Steve Bees
Lettings and Sales Director

Steve is the co-owner of Next Move Residential and has been in the industry since 2010, gaining valuable knowledge and experience in all things sales and lettings. Whether you are a landlord, a tenant, a homeowner or a purchaser, Steve is perfectly placed to advise on the local property market and assist you with your Next Move.



Lee Surtees
Lettings and Sales Director

Lee has enjoyed working in the property industry since 2006, where he gained vast amounts of experience and knowledge in Lettings, Property Management and Sales.

Delighted to now be the co-owner of Next Move Residential, Lee looks forward to assisting all your property needs.

Our Promise

"As the customer, you are at the heart of everything we do, therefore we aim to provide an unrivalled, transparent and bespoke service, all whilst keeping you informed every step of the way. We specialise in Lettings, Property Management and residential Sales and would love the opportunity to guide you to your Next Move"

Proof of identity and ownership

Prior to starting your rental journey with us we will ask that you provide proof of ownership in order to satisfy our money laundering regulations. This will be required from all owners of the property and will take the form of photo ID (Passport) in order to confirm name whilst we will require a separate form of ID to confirm proof of address (driving licence/council tax bill/recent mortgage statement).

Next Move Residential will also require sight of title deeds in order to confirm proof of ownership. Authority to let the property should also be obtained from all owners named, each owner will be jointly obligated and liable for the tenancy agreement.

Approval to let

If you have a leasehold property (where you pay ground rent/service charges) you will need to make sure you are permitted to rent your property out. Some management companies may charge for this permission. There may also be certain clauses within your lease (no pets permitted) that we will need to be made aware of in order to advise same to prospective tenants.

Should your property be subject to a mortgage then you will need to apply for the mortgage lenders consent to rent the property out. Again should there be any clauses that the lender requires to be incorporated into the tenancy agreement then Next Move Residential will need to be made aware of these from the onset.



Your insurance provider should also be made aware that your property will be rented out prior to commencement of the tenancy. Some insurers may withdraw cover during the term of the tenancy if they haven't been notified.

Next Move Residential require our Property Information Questionnaire to be completed prior to marketing. This must be completed as wholly and as accurately as possible as under the Consumer Protection from Unfair Trading Regulations 2008 both the landlord and agent must disclose anything, within their knowledge, that would affect the transactional decision of the average consumer.

Legal Responsibilities

In order to market and then rent your property out there are certain legal obligations that need to be carried out, these include the following:

Energy Performance Certificate – Since 1st October 2008 all rental properties are required to have an Energy Performance Certificate (EPC) prior to letting. This is to enable prospective tenants to assess your property against others and get an idea on the impact on their energy bills. As of 2018 Landlords must ensure their rented properties meet a minimum energy efficiency standard of E or above. However this is set to increase on 1st April 2025 to a minimum rating of C with any existing tenancies having until 2028 to do the same.

You will be unable to let your property should it be below the required rating without improvements being carried out to bring it up to standard. EPC's are valid for 10 years.

Gas Safety inspections – By law a gas safety certificate must be carried out by a gas safe engineer annually. A copy must be given to every tenant within 28 days of the check being completed and to any new tenant before they move in, you as landlord must keep proof of receipt of this certificate for at least 2 years.

It is also your responsibility to make sure that any gas pipework in the property is maintained and kept in a safe condition. Regular inspections will highlight any repairs you need to make. To minimise disruption, it is good practice for an engineer to inspect and test the pipework between tenancies. Before the tenancy begins all gas equipment including appliances should be checked to make sure they are safe.

Electrical safety standards – All fixed electrical cables will need to be inspected and tested by a qualified person (NAPIT or NICEIC for example) in accordance with the 18th edition of the wiring regulations. On completion of the inspection an electrical installation safety report will be produced. Typically, this will take the form of an EICR but there are alternatives. The report will include the date the inspection was carried out and the date the next inspection is due. A copy must be given to every tenant within 28 days of the inspection and test and to any new tenant before they move in. A copy of the report should also be obtained and given to the qualified person carrying out the next inspection. The local authority may also request a copy from time to time. Every fixed electrical installation at the property must be inspected and tested at least every 5 years. If any remedial work is required following the inspection then again this work must be carried out within 28 days of the report.



Smoke and Carbon monoxide alarm – From 1st October 2015 the landlord must ensure that a smoke alarm is fitted on every floor of the property where a room is used or partly used as living accommodation. Carbon monoxide alarms must also be installed in any room containing a solid fuel-burning appliance, such as a wood burner, coal fire or biomass. You (or your letting agent) must ensure that every alarm is in proper working order on the first day of a new tenancy. During the tenancy it is the tenant's responsibility to ensure the alarms work and to change batteries however should the alarms become faulty then you as landlord are responsible for replacing them.

Legionella Risk Assessment - Legionnaires' disease is a pneumonia-like infection commonly caused by the inhalation of small droplets of water contaminated with Legionella bacteria. As Landlord you must assess and control the risk of tenant's exposure to Legionella. Control measures include:

- Flushing out the water system before letting the property
- Ensuring cold water tanks have a tight lid to stop debris from getting into the system
- Setting control parameters to ensure water is stored at the correct temperature
- Removing unused pipework

You should inform your tenants about control measures they can do such as cleaning showerheads or running all the taps for five minutes if they've been away. Tell them to let you (or your agent) know if problems occur with the water system, or if the water's not heating properly.

You should keep any records of any legionella assessments and plan follow up checks to be carried out periodically. For more advice on controlling the risk of Legionella, visit the Health and Safety Executive.

Furniture and Furnishings – Generally, items manufactured in the UK after 1990 meet the required standards and display the appropriate permanent label confirming their compliance. If items do not comply, they should be removed from the property before it is let. All furnishings should pass the 'smouldering cigarette' and 'match flame' resistance test and carry a label confirming this. If the label is no longer attached then original documentation would need to be supplied confirming compliance. All items, no matter where they are stored in the property (including sheds and garages) must comply to this legislation.

Tax on property Investments

All owners of property in the UK are required to pay tax on their letting income unless the income after allowable expenses is less than an individual's personal allowances. Any losses arising from the rented property have to be carried forward and offset against any future profits arising from your rental business and cannot be offset against other income.

Many of the expenses incurred in the course of letting your property are allowable for tax purposes. You are also able to deduct the costs incurred in purchasing replacement furnishings, including white goods, when calculating your taxable profit.

The sale of a residential investment property is usually charged to Capital Gains Tax (CGT) at 18 or 28 per cent. Each person is entitled to an annual exemption, which from 1st April 2023 is £6,000. This will be reduced in April 2024 to £3,000.

Inheritance Tax is a tax on the estate (the property) of someone who's died.

There's normally no Inheritance Tax to pay if either:

- **The value of your estate is below the £325,000 threshold**
- **you leave everything above the £325,000 threshold to your spouse, civil partner, a charity or a community amateur sports club**

You may still need to report the estates value even if it's below the threshold. If you give away your home to your children (including adopted, foster or stepchildren) or grandchildren your threshold can increase to £500,000.



If you're married or in a civil partnership and your estate is worth less than your threshold, any unused threshold can be added to your partner's threshold when you die.

The standard Inheritance Tax rate is 40%. It's only charged on the part of your estate that's above the threshold.

For example

Your estate is worth £500,000 and your tax-free threshold is £325,000. The Inheritance Tax charged will be 40% of £175,000 (£500,000 minus £325,000).

The estate can pay inheritance tax at a reduced rate of 36% on some assets if you leave 10% or more of the 'net value' to charity in your will. (The net value is the estate's total value minus any debts.)

There are various ways to structure ownership of your property investments to mitigate your tax liability. As a direct owner, joint venture or partnership profits are taxed at your marginal rate and Capital Gains charged on the sale. As a partnership there is the opportunity to utilise the personal allowances and lower rate bands of all partners. These can be other family members.

Holding property within a limited company could help to save tax as the rate of Corporation Tax is currently 19%. This will depend on whether or not the income then needs to be drawn out of the company as if so, there is likely to be a double tax charge, removing any saving. Company ownership may be advantageous if profit and gains are to be retained for investment, or to be protected for future generations.



If you are based abroad and are a non-resident landlord, a tax of 20% will be deducted from your rental income unless written notification to the contrary is received from the Inland Revenue and must be in the form of an Approval Certificate. This will allow you to receive all rental income without deductions. You can apply for this by completing an NRL1 form.

Deposit Protection

If you take a deposit from your tenant, you must protect it in a government-approved tenancy deposit protection scheme. Deposits must be protected within 30 days of receipt.

In England tenancy deposits are capped at five weeks' rent where the annual rent is less than £50,000, and six weeks' rent where the annual rent is £50,000 or more.

Once protected, the 'Prescribed Information' generated must be served to the tenant; it outlines the scheme used and whether it is insurance or custodial based. Failure to protect a deposit will lead to problems over eviction, the full return of the deposit and a fine of up to three times the value of the deposit.

Insurance

There are specialist policies available to landlords to protect you against potential losses. The protection most policies offer includes

- **Buildings insurance: for potential damage to the property's structure or built-in features**
- **Loss of rent insurance: when you're unable to rent out your property through no fault of your own (such as a flood or fire), this covers the potential rent lost**
- **Tenant default/rent guarantee insurance: covers any rent lost due to the tenant not paying**
- **Contents insurance: covers any contents that you have provided (tenants must get a separate policy for their belongings)**
- **Liability insurance: covers any legal costs if you are taken to court, e.g. if the property causes injury to a tenant or visitor**



Inventory

A properly prepared inventory sets the scene for what you provide at the start of the tenancy. It plays a significant role in protecting both you and your tenant. A comprehensive inventory will help avoid disputes, whilst any such dispute that does arise at the end of the tenancy can be more easily resolved. If you do not have an inventory you may be unable to prove your case to the independent case examiner at The Tenancy Deposit Scheme for any damages and dilapidations and therefore will be unable to withhold money from the tenants deposit.



Keys and instruction manuals

Make copies of any keys a tenant may need for windows, doors, gas supply and electricity meters. You should provide a set of keys for each tenant over the age of 18 moving into the property and one set to ourselves if you are on the fully managed service. You should also retain a set of keys for yourself in the event of an emergency. It's also worth digging out instruction manuals for the boiler, cooker, white goods, thermostat, or house alarm so tenants know how to use them properly.



Statutory obligations & good practice

As a landlord you need to make sure that both the outside and inside of your property are well maintained and kept to a high level of repair. Its considered good practice to ensure the décor is free from marks and stains. Windows have curtains, blinds or nets fitted. Ensure all bulbs are working. Ensure the entire property is cleaned to a professional standard, particularly cupboards, ovens and carpets. Ensure all windows and doors are in working order and can be opened and closed with ease. Replace any broken glass in windows and doors. Ensure all lawned areas and gardens are tidy and maintained. Make sure all bins are present and completely empty.

As the landlord you must also adhere to the obligations to repair the structure of the premises and exterior including installations for the supply of water, electricity and gas, basins, sinks, baths and sanitary conveniences, space heating and water heating.

Failure to provide adequate safety measures could leave you liable for damages or legal action. Keeping a safe and properly maintained property will ensure that you remain free from potential legal problems.



Mail forwarding

The general recommendation is to use the post office's redirection services. Application forms are available online and counters at a minimal cost. It is not the tenant's responsibility to forward mail. Likewise, at tenancy completion, the mail should be redirected to the tenant(s) new address since it is also not your responsibility to forward their mail.

Landlord notes & figures

A large area of the page is filled with horizontal dotted lines, providing a space for handwritten notes and figures.