

A GUIDE FOR NEW LANDLORDS



NEW LANDLORD GUIDE

So, you've decided to become a landlord?

To help you stay on the right side of the law, avoid common mistakes, remain in your tenant's good books, and generally have an easier life, we have compiled a comprehensive set of tips and advice so any new landlords can hit the ground running.

Even if you're an old hat at the landlord game, it is easy to slip into bad habits, so this can act a refresher to ensure you are doing everything right and sticking to the letter of the law.

IT'S A MARATHON



Contrary to the popular misconception, becoming a landlord is not a get-rich-quick scheme, but it can provide you with a solid, reliable rental income in the long term.

Being a landlord can be hard work, especially on top of a regular full time job.

The important question to ask yourself is: can you afford to be a landlord? Will a month's gap in rent have dire financial consequences for you?

INSURING YOUR PROPERTY



As landlord, you are responsible for arranging building insurance for your property, as well as any contents insurance to protect your own possessions, fixtures and fittings.

Buying landlord insurance will provide you with landlord liability cover and loss of rent cover; both are invaluable to a landlord, especially when problems start to arise.

EVICTING TENANTS



This is an unfortunate, but also very real part of being a landlord. And it is a question you have to ask yourself before you do: Could you make someone homeless?

You must be honest with yourself here, because whilst you may think you'll be glad to see the back of that nightmare tenant, when it comes down to the crunch and you realise they will literally be on the streets it could be a different story.

BEING A RELIABLE LANDLORD



If something goes wrong with your property, it is you who your tenants will be calling, and you will be expected to fix any problems which may have arisen, such as a leaky pipe or a faulty fridge.

Remember, it is your investment you are protecting so it is in your best interests to act as quickly as possible.

This will also help strengthen your relationship with your tenants; you do not want a reputation as a lazy, unreliable landlord.

ENSURING A SAFE PROPERTY



As the landlord there are certain safety standards which you are required to meet.

All gas work must be carried out by a CORGI certified engineer, and following a successful inspection you must pay £75 for a safety certificate, to be shown to your tenants at the start of their tenancy.

One smoke alarm per storey in the property is the legal minimum requirement, and carbon monoxide detectors should be in any room used for living which has a solid fuel appliance.

Carbon monoxide and smoke detectors must be tested on the day the tenant moves in.

Any furniture provided by you must be fire retardant, and you must ensure your building is not at risk of Legionella bacteria.

PAYING TAX



Keep on top of your paperwork and pay your taxes on time.

Any attempt to provide misleading information on your tax return constitutes fraud, and could cause you serious trouble in the long run.

MANAGING BILLS



It is best to leave your tenants responsible for paying their own bills and council tax.

This will save you a lot of time and hassle, and if they fail to pay the issue is between them and the company they owe the money too; you are not liable to cover them.

BUY TO LET MORTGAGE



Make sure you have a buy-to-let mortgage. Whilst a normal mortgage may be cheaper, to have one when you are letting your property would constitute fraud. It can also render your landlord insurance policy void.

When choosing a mortgage broker do some thorough research, as it is an industry often riddled with rogues. And also ask yourself: can I afford to take on a huge mortgage?

Lenders will insist on buildings insurance, but even though landlord insurance is not mandatory, we would thoroughly recommend it.

HIDDEN COSTS



Being a landlord can be an expensive business. Remember, if anything goes wrong with the property, as landlord you will be held responsible and expected to fix it.

As well as having a suitable insurance policy in place, have a healthy contingency fund available, so that in the worst case you will be able to pay for whatever repairs are necessary and protect your rental income in the process.

DECORATING YOUR PROPERTY



A studio flat in Greenwich is going to appeal to a completely different clientele as a 4 bedroom semi in Esher. Before renting your property, consider who your target rental audience is, and decorate your property accordingly. Keep it neutral, and don't make the cardinal error of decorating according to your own tastes. This is a rental property, so while you may well love velvet drapes and loud carpets, your prospective tenants may not.

Pay particular attention to the kitchen and bathroom, and maintain the highest levels of cleanliness possible. A tired house can be brought back to life by a revamped kitchen, and it could be the factor which swings the rental in your favour. Don't have cheap fittings as you will be forever replacing them. The best thing you can do is give your tenant a blank canvas they can transform into their home.

LETTING AGENTS



We would recommend new landlords use a letting agent. This will help you find their feet, and prevent you from making mistakes typical of a new landlord. Agents also act as a buffer between you and your tenant, so if tensions are flaring they can act as a neutral intermediary. Nowadays there are online agents and high street ones. We would recommend going online, because they charge substantially less money and can get your property in front of a much larger audience.

Although high street agents will do your viewings on your behalf, we would advise against this as it is important to meet your prospective tenants yourself.

FINDING THE RIGHT TENANTS



The internet is a great tool for landlords, as it allows you to perform discrete background checks on your prospective new tenants.

They may present themselves as the most professional, reliable individuals around, but a quick bit of internet research could reveal they are in fact unemployed party animals.

There is no need to go too over the top or you may verge into stalker territory, but the point is it would be reckless to rent your home to someone you know nothing about.

Ask for any previous rental history, references, and for their credit score. Tenants wishing to pay 6 months up front in cash should also make alarm bells ring.