

A GUIDE FOR LANDLORDS

Should I rent or should I sell?

This is a question that is often asked. Obviously the answer varies depending on individual circumstances and attitude to investment and risk. What we can look at are market trends. There has been a significant shift in attitudes in the country to renting – fewer people own their own houses today than in 1991. We are moving towards a more European model with professional people looking to the rental sector for long term housing. We have seen an increasing number of private landlords growing their portfolios often starting by releasing equity from their own homes. Capital growth predictions and estimated yield forecasts would suggest that property ownership is a sound proposition and one people feel more comfortable with than stock and shares where there is no tangible asset. This is clearly too complex a question to provide a generalist answer to, but if you would like to discuss the matter in more detail please do not hesitate to contact us to discuss further.

Why use an agent?

Over the years we have picked up more and more business from landlords who have started out managing the properties themselves but who have subsequently elected to involve a third party. Tenants can be very unpredictable in their demands on your time and it can be a very difficult relationship to manage. We are there to act on your instructions and be the intermediary between yourself and the tenant. From the common but numerous maintenance calls, to more complex insurance claims and personal issues that can arise.

Are my fees due up front and is there a set-up fee?

No, we do not require you to pay our fees up front and there are no hidden charges. Our monthly management charge is a percentage of the rental income. When we first take on a property or when it becomes vacant there are costs associated with marketing and safety certificates where appropriate. We will pay for these and deduct them from your monthly payment. You will also need to be a registered landlord and you pay this fee directly to the relevant council. For Edinburgh council please see http://www.edinburgh.gov.uk/info/20058/private_housing/361/landlord_registration

Are there any on-going costs?

Any costs will be detailed on your monthly statement. We ask that in relation to any maintenance issues that may arise e.g. faulty boilers/broken washing machine and so on, we are authorised for costs of up to around £100 without troubling you. Should any major items need replacing or any substantial repair work needs to be carried out we will advise you of the situation and take instruction from you as to how you would like this handled. We try wherever possible to minimise your involvement (unless of course you prefer to be involved) so that you can be assured any issues arising with your property and/or the tenants are being dealt with promptly and professionally.

What would be my monthly rental?

Here at Ravenstone we offer a FREE rental valuation. We will meet you at your property, answer any questions you may have and advise you on how to maximise your rental returns. Your rental income will be the rent agreed with the tenant, minus the management fee and minus any cost incurred in that month, e.g. boiler repair, Safety Certificate costs etc.

What happens next?

Once instructed and Terms of Business signed, we will ensure that you have met all your obligations as a landlord, e.g. Landlord Registration, safety checks and HMO requirements if appropriate. We will take a range of photographs to show your property at its best. We will then complete the marketing material. This will be posted on our website as well as all the major property portals.

How long does it take to let a property?

We are often asked how long it takes to find a suitable tenant and obviously there is no fixed answer. It depends on the time of the year and the number of tenants looking. However, the process is much quicker than the sales market and it is not unusual for us to market a property and let it within 2 weeks. We will give you advice about marketing your property to ensure that we get the maximum rent for you, the best calibre of tenant and the highest yields. As experts in the local market we are best placed to advise you of a realistic achievable rent and will market your property accordingly.

Viewings

We accompany *all* viewings as we believe that this forms a critical part of the negotiation and referencing process.

The referencing process

We will obtain a previous landlord reference if applicable and one from their employer or proof of study from the University. Credit checks will be carried out if requested. If we are in any doubt over the suitability we will not proceed with the tenancy.

Tenancy Documents

We will prepare all the required paperwork for the tenancy to go ahead. This includes, the AT5 form, the Tenancy Agreement, Tenant Information Pack and Deposit Scheme information. All paperwork signed, checks made and monies will be in place before keys are released to the tenant, along with the inventory and condition statement.

What inventory system do you use?

We use a comprehensive property inventory software programme from miProgram. Using iPhone/iPad this produces a very detailed inventory with pictures of the property, meter readings etc. We give this to the tenant when they move in and they can make their own comments if necessary and are required to sign and return it to us. This is a vital document particularly if any dispute with deposit repayment occurs. Although we are happy to say this is a rare occurrence.

Registering the Deposit

We take one month's rent as deposit which we then lodge, as required by law, on your behalf, into a deposit scheme. We use Safe Deposits Scotland, one of the recognised deposit schemes within Scotland. At the end of the tenancy the Deposit Scheme deals with the return payment when either the agency or the tenant requests the return. If any dispute arises we deal with the ADR mediation.

See www.safedepositsscotland.com for further information.

Paying the rent

Tenants are required to pay their rent on a monthly basis by standing order. The rent is due monthly on the date that they moved in (unless agreed otherwise, e.g. at the end of the month to coincide with Salary payments). We will then make a payment to you approximately a week later (this allows time for payment to be cleared and any late payment to be chased) minus our management fee and any disbursement costs which may have been incurred.

Who is responsible for the utility bills?

In general your tenant is responsible for the utilities (unless you agree otherwise). We advise the utilities of the change of occupancy and we check to ensure that the bills have been put in your tenant's names. You will be liable for any utility bills during vacant periods, but this usually for a very short period and often only for a 'Standing Charge' (made by the utility companies) as very little energy is used when a property is empty.

What happens if my tenant doesn't pay the rent?

Non-payment of rent is one of the risks associated with being a landlord. In the unlikely event of this becoming an issue we would be in frequent communication with the tenant to try and successfully resolve the matter. If this cannot be achieved we would look to end the tenancy as quickly as possible using the proper process for regaining vacant possession of the property and continue to pursue the tenant for unpaid rent.

Ending a tenancy

We ask that tenants give us two months' notice of their intention to leave. We believe that this gives everyone time to handle the process and for us to market the property in order to find the next tenants. We inform the landlord of the tenant's intention to leave and check that they want to continue letting the property. Occasionally a tenant may have to leave quickly due to personal circumstances or give a shorter notice period than required, we will work with the tenant, advise them of their obligations but look to secure a new tenant quickly in order to release them from their liability but to ensure that you receive the rent owed.

If the landlord wants to end the tenancy, they too are required to give two months' notice and this would take the form of a Notice to Quit. This is a process which we will handle and the notice is served by Messengers-at-Arms. There is a fee for this but we do not add any additional fees ourselves.