

A guide to self-managing your rental property



Introduction

One in five households are now in private rental accommodation. Around a third of these are tenants aged between 25 and 34, a number of which may well be our own children or family members. With this in mind, the Government are committed to protecting tenants and improving standards in the private rented sector by introducing new legislation and regulation.

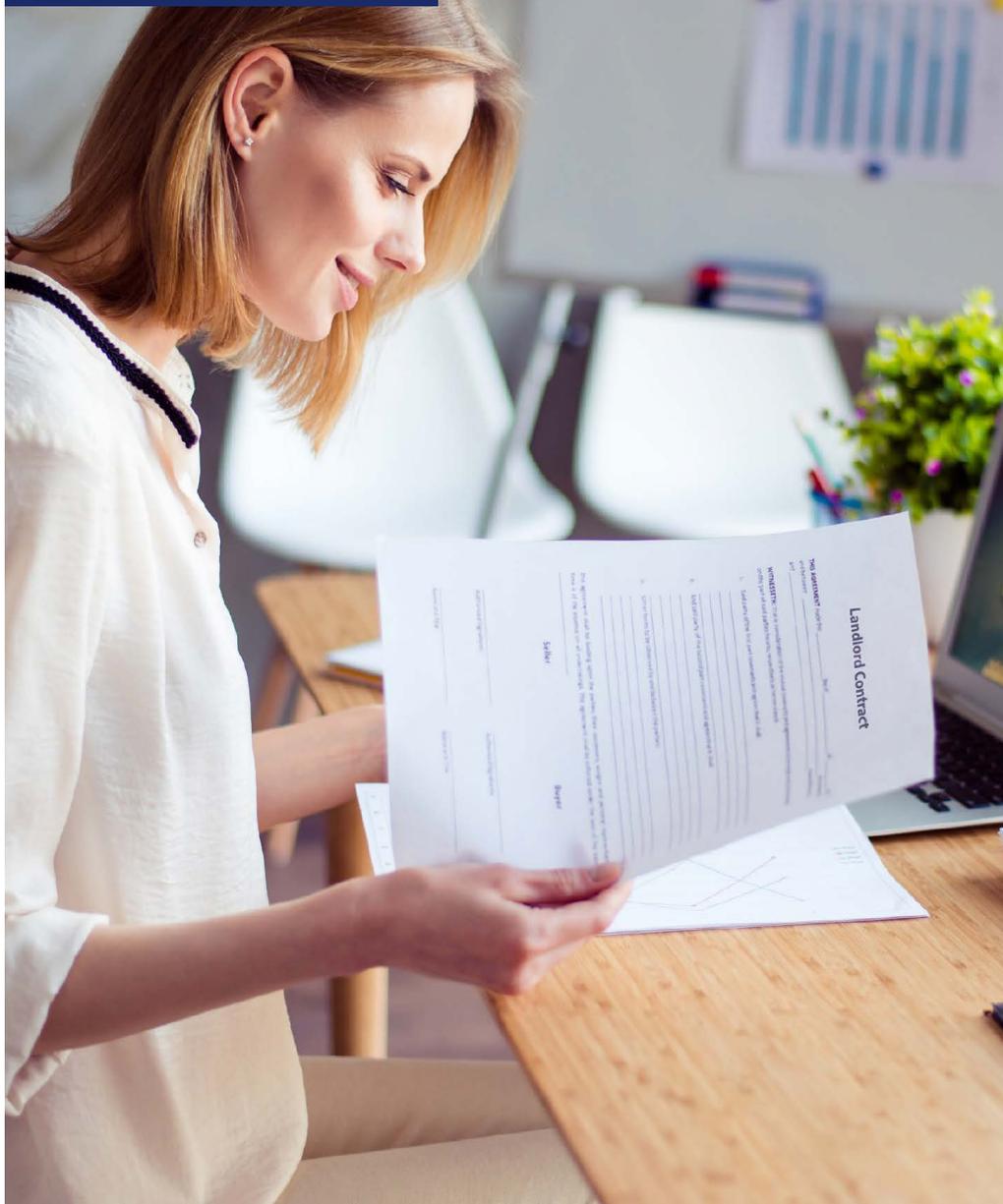
Whilst not all aspects of legislation apply in every situation, knowing what is relevant to you and your rental property is more important than ever.

If you do decide to manage your own rental property and tenancies, it is crucial that you keep up to date on all the legislation changes surrounding managing your property.

This guide outlines some of the legislation to be aware of, what's really involved and what the implications could be if you are not compliant.



What's changing?



Increased regulation to improve housing standards

Government focus on housing and particularly private rented sector.



Qualification & continual professional development

All landlords will be required to be a member of a professional organisation & have regular training.



Increased penalties

Introduction and monitoring of compliance with huge fines and prison sentences as deterrents. Thousands of penalties given to landlords in the last 12 months.



Licensing

Some towns and cities are subject to mandatory or selective licensing. Is yours one of them? Up to £30,000 penalties fines can apply.

Regulation and Legislation

As it stands there are over 170 pieces of legislation you must comply with whilst renting out your property.

Listed here are a few of the laws and penalties to be aware of. In some cases where a landlord isn't obeying the law, the rented house itself can be seized.



Gas Safety (Installation and Use) Regulations 1998

£6,000 fine and/or 6 months in jail.



Smoke alarms and carbon monoxide detectors

If they are missing in a property, fines of up to **£5,000** apply.



Legionella Risk Assessment

Fines of up to **£20,000**.



Electrical Installation Check

Fines of up to **£20,000**.



Fitness for Human Habitation

Up to **£30,000** and Tenants can sue direct.



General Data Protection Regulation (GDPR)

By self-managing your property you are required to register with the ICO, failure to do so could result in a fine of up to **£4,350**.

Regulation and Legislation

Right to Rent checks

As a landlord, you have a responsibility to restrict illegal immigrants accessing the private rental sector. You can get an unlimited fine or be sent to prison for renting your property to someone who is not allowed to stay in England.

Before the start of a new tenancy, you must check all tenants can legally rent your residential property by carrying out a Right to Rent check.

You must also do a follow up check to make sure your tenant(s) can still rent in the UK if there's a time limit on their permission to stay. If you find that your tenant(s) can no longer legally rent property in England after doing a follow-up check, you must tell the Home Office.

Serving a Section 21 notice

To regain possession of your property, you can evict tenants who have an assured shorthold tenancy by following Government guidelines and using a Section 21 notice.

However you may invalidate this notice and find it difficult to regain possession of your property if you haven't been compliant throughout the tenancy. The following are just some of the regulations you must follow:



How to rent leaflet

Do you know that you have to serve a new copy of this on the tenant every time it is updated?



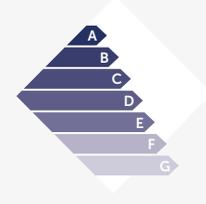
Gas Safety

It is illegal for the tenant to not have a valid gas safety at the commencement of the tenancy and on renewal.



Deposit scheme leaflet

Is the deposit registered properly, and is the prescribed information served correctly?



EPC

Is this still valid and within the regulated MEEs rating?



Regulation and Legislation

In 2019 we had:

- Homes (Fitness for Human Habitation) Bill 2017-19; law from 20th March 2019
- Tenant Fees Act (2019) – Ban of all tenant fees from 1st June 2019

In 2020:

- Electrical Regulation change for a requirement to have a valid Electrical Inspection Condition Report
- Covid 19 change to Section 21 termination notice to six months

The Government are also considering the following proposals:

- Any person(s) dealing with a rented property must hold a recognised letting qualification
- A Landlord to hold Client Money Protection
- A Landlord to be a member of a formal redress scheme such as The Property Ombudsman
- Mandatory Electrical Safety Testing (TBA)
- Private Landlords Registration Bill (TBA)
- Abolishment of Section 21 notices to remove “no fault” evictions
- Amendment to Smoke and Carbon Monoxide regulations

Which option works for you?

Choose from our Tenant Find or Fully Managed options

At John German we like to understand what works for you. If you feel, having read this guide, you would be happy to self-manage your property and have the capacity to deal with everything that this entails, then we would be delighted to help you find suitable tenants through our Tenant Find service**.

Alternatively, you may prefer to take the far less time consuming and less risky approach by opting for our Fully Managed service. Our experienced Tenancy Management team will deal with the whole tenancy for you, as well as keeping you on top of legislation.

See overleaf for more details on both options.

** Please note - Should you opt for our Tenant Find service rather than our Fully Managed service, we will ask you to confirm in writing that you have received this guide and are aware it is your own responsibility to be compliant with all regulations.



| | MOST POPULAR | |
|--|---------------|-------------|
| | Fully Managed | Tenant Find |
| Marketing | | |
| Internet advertising on Rightmove, On the Market & John German | ✓ | ✓ |
| Great photos & floorplans | ✓ | ✓ |
| Qualifying prospective tenants | ✓ | ✓ |
| Virtual viewings | ✓ | OPTIONAL |
| Applications | | |
| Credit checking and referencing | ✓ | ✓ |
| Right to rent checks | ✓ | ✓ |
| Tenancy agreements | ✓ | ✓ |
| Deposit registration* | ✓ | ✓ |
| Landlord Services | | |
| 'Property File' landlord portal | ✓ | ✗ |
| Professional Inventory* | ✓ | OPTIONAL |
| Rent Guarantee* | OPTIONAL | ✗ |
| Management Services | | |
| Regular property visits | ✓ | ✗ |
| Ongoing Right to Rent checks | ✓ | ✗ |
| Repairs and maintenance | ✓ | ✗ |
| Day to day tenant management | ✓ | ✗ |
| Rent reviews* | ✓ | OPTIONAL |
| Safety checks | ✓ | ✗ |
| Termination notices* | ✓ | ✗ |
| Check out and deposit negotiation* | ✓ | OPTIONAL |
| Overseas tax statement* | ✓ | ✗ |
| Portfolio management and investment advice | ✓ | ✗ |

* subject to additional charge

OPTIONAL - not included but available for an additional charge

SEE MORE OVERLEAF

Keeping you in the loop 24/7

By choosing our Fully Managed option, you will be given exclusive access to **Property File** - a simple to use online mobile-friendly platform.

You will have instant access to key information in one easy to use place. From marketing performance and viewings to the tenancy documentation once a suitable tenant has been found for your property.

You can download statements, view your accounts and track maintenance jobs so you can plan for the expenditure. Plus, you can access everything from house visits to tenancy renewals.

You and your tenants have full transparency over your tenancy, with 24/7 access to all information and certificates.

In addition, as legislation comes in, we will keep you up to date with regular newsletters and seminars.

**For more advice on which option works for you,
speak to our team today lettings@johngerman.co.uk**

