

Guide for Landlords

2019

150
YEARS

HAMPTONS
INTERNATIONAL



INTRODUCTION



Catherine Westerling
Head of Lettings

This year marks Hamptons International's 150th anniversary as market leading property experts. We've worked hard to earn our reputation for excellence and trustworthiness, which is why we attract, train and develop the very best people in the industry.

We take pride in everything we do, bringing the right tenants and properties together quickly and managing tenancy administration smoothly and carefully. We also know that happy tenants stay longer, so our dedicated teams of property managers, client accounting managers and tenancy renewal specialists deliver a friendly, personalised service to help maintain tenancy lengths and minimise void periods too.

That's why tens of thousands of landlords, and tenants, trust us year after year to help them make important,

sometimes life-changing, decisions about property.

Whether you are a first-time investor, professional portfolio operator or private landlord letting your own home we look forward to showing you what 150 years of heritage, professionalism and passion can deliver.

CONTENTS

Why Hamptons?	2
Getting started as a landlord	4
Presenting your property	8
Our services	11
Legal and Regulatory Considerations	14
Network map	Inside back cover

This handbook has been designed to offer practical advice. If you need any clarification of the information in this guide, please do not hesitate to contact any of our branches, where our trained staff will be pleased to help with any of your questions.

Thank you for choosing us.

REF. 2553. Hamptons International is a trading name of Countrywide Estate Agents. Company Registered Number: 00789476 (registered in England and Wales). Registered Office: Greenwood House, 1st Floor, 91-99 New London Road, Chelmsford, Essex CM2 0PP. We are regulated by The Property Ombudsman, Office of Fair Trading (OFT), and Association of Residential Letting Agents.



WHY HAMPTONS INTERNATIONAL?

Our 150-year heritage is built on long-standing relationships and we take our responsibilities to landlords and tenants seriously.

At all times we operate professionally, with integrity and compassion, which is one of the many reasons we attract responsible landlords and excellent tenants.

We work tirelessly to maintain the highest standards of personal and professional conduct for the benefit of all those we help, advise and represent.

Our credentials

Hamptons International is a proud member of the Association of Residential Letting Agents (ARLA Propertymark) and voluntarily adheres to its strict Code of Conduct.

ARLA Propertymark provides our Client Money Protection which safeguards all deposits, rents and other client monies held by us.

We also adhere to The Property Ombudsman (TPO) Code of Practise, meaning that in the highly unlikely event that our services fail to meet expectations, Hamptons' customers have access to the two most recognised redress schemes in our industry.

We operate openly and transparently and publish all fees and charges in simple language in every branch and on our website. We welcome the opportunity to answer questions or offer advice to customers at any time.

Our people

Every Hamptons' lettings team contains at least one ARLA Propertymark qualified member, and all our staff are re-assessed annually to maintain their awareness and understanding of best practise, legislation and regulation.

To assist international tenants and landlords, we also employ several bilingual and multilingual staff.

Our reach

Our global profile brings international tenants straight to our door, which means straight to your door too. Our impressive Corporate & Relocation Services team works with global mobility providers, blue chip organisations, sports management companies and

embassies to source housing for executives, sports personalities, diplomats and their families when they relocate to the UK.

We're passionate about our local communities too, and we pride ourselves on knowing our local property markets inside out. We make a point of using the latest intelligence from our in-house research team to understand market conditions and will happily share details with you of properties that we've let locally, including selected properties that have been discreetly let, away from the open market.

So, whether your next tenant comes from a mile away or a thousand miles away, our global reach and local knowledge combine perfectly to ensure they'll find the best service and support at Hamptons.



Happy tenants stay for longer, and we renew 73% of tenancies beyond their original fixed terms.* That's great news for landlords looking to minimise void periods between tenancies.

* Source: Hamptons International 2018

Landlords! Avoid the void

We understand how undesirable void periods between tenancies can be. The good news is that we share the desire to eliminate or minimise them with our landlords.

We're so confident in our services that if your property is unintentionally vacant for more than five working days between (long term) tenancies, we will credit our standard lettings service commission for any further void against your next tenancy with us.

*Terms & Conditions apply. Please speak to your local Hamptons' team.

GETTING STARTED AS A LANDLORD

Becoming a landlord

With more than 4.5 million UK households now renting their homes,^{*} demand is significantly outstripping supply and, with a third of millennials expected to rent for life,[†] this is an exciting time to be a landlord.

Whether you invest in property intentionally or become a landlord purely through circumstance, we're here to ensure the experience is stress-free and rewarding.

Help and expert advice are readily available from your local Hamptons' team and overleaf are some of the questions they'll help you answer.



^{*}Source: Office for National Statistics
[†] Source: Resolution Foundation



GETTING STARTED AS A LANDLORD

What do I want to achieve from letting a property?

Typically, investment in property still outperforms other more traditional asset classes over the long term. Landlords tend to prioritise one of three factors when making decisions about what and where to buy; long term capital growth, maximum monthly return or strong yield. Most landlords balance at least two of these factors across their portfolios: circumstantial landlords (who might have inherited a property, been relocated for work or moved in with a new partner) tend to focus on the combination of capital growth and monthly returns.

What kind of property should I buy?

Before searching for a property, research typical tenant profiles in the area you have chosen and understand how much rent local residents are likely to pay. Then select properties which will attract their interest. Popular options will often be located close to public transport and local amenities and will always be clean and well presented with modern kitchens and bathrooms.

Leaseholds and service charges

Ideally, try to buy freehold to avoid service charges and restrictions imposed by head leases. Where

this is not possible, in areas like central London where freeholds are not readily available, ensure a minimum lease term of at least 75 years and that letting is permitted. Service charges will apply, but features such as well-maintained common areas and grounds, lifts, leisure facilities and concierge services will appeal to tenants.

Before letting

Ahead of letting for the first time you will need to arrange the following, where applicable. We will provide further advice if needed:

- Consent from your mortgage lender, freeholder and insurer
- A clear understanding of any restrictions placed on the type of let or type of tenant – please confirm this in writing to us before marketing begins
- A folder containing appliance manuals and instructions for use (including central heating system) for the tenant's benefit
- A complete set of property keys (including window, garage and security keys) per tenant, plus a full set for us if we'll be managing it for you
- Postal redirection, if you are vacating the property being let
- Pre-tenancy documentation and certification

MAXIMUM MONTHLY RETURN

The difference between incoming rent and outgoing costs, including mortgage payments and service charges. Depends on overheads rather than location.

STRONG YIELD

The achievable rent expressed as a percentage of the capital value of a property. Typically better in the north of England.

LONG TERM CAPITAL GROWTH

The appreciation of a property's value over time. Typically better in the south of England



PRESENTING YOUR PROPERTY

First impressions count

Properties which look their best let quicker and achieve higher rents, so it's worth considering the type of tenant you'd like to attract and decorating or furnishing with them in mind.

Whether the property being let is your own home or a rental investment, traditional or contemporary, it pays to ensure you'll appeal to your target market at a time when tenant expectations are rising.

Hamptons' Interior Solutions team can offer refurbishment,

styling and interior design advice, and will also recommend and arrange furnishing packages (to buy or rent) if required.

Kerb appeal

The outside of a property should be tidy and well-maintained, with any gardens kept in seasonally appropriate good order. Practicalities such as refuse disposal and recycling facilities should be easy for tenants to access, while features such as discreet bicycle or pram storage may be relevant depending on your target market.

Technology

Any form of technology that offers peace of mind, eases communication, increases energy efficiency or reduces financial outlay will appeal to tenants. Features such as high-speed broadband and digital or satellite television are now expected as standard, but advancements in products like Wi-Fi enabled smart meters, and smart systems which deliver lighting, thermostatic and security system control from a mobile device, are growing in popularity.

Self-bleeding radiators, automatic stopcocks (which shut down supply in the event of a flood) and Wi-Fi-enabled door locks are also available, offering obvious benefits to both landlord and tenant.

Incorporating some of these features will help maximise a property's long-term appeal to prospective renters.

Decoration

Interior design advice is available from Hamptons' Interior Solutions team and should always be sought before decorating with niche or luxury markets in mind. Here, more decorative finishes including wallpapers, rugs, fabrics and furnishings will make a big difference to how well a property lets, and the specification will need to be higher than mid-market tenants might expect.

For mid-market, a property's décor should enhance its features and appeal to as broad an audience of potential tenants as possible.

Furnishing

Whether or not to furnish will depend on the type of property, tenant profile and length of let – short lets are almost always fully furnished, and attract higher rents than long term tenancies, but please take advice from your local Hamptons' team before deciding what to provide.

Regardless of other furnishings, all white goods and quality floor coverings and window dressings should always be provided.



GENERAL RULES OF THUMB



Paint walls and woodwork in muted colours, balancing warmth with neutrality and using paints which can be easily replaced for quick touch-ups between tenancies.



In bathrooms, hard flooring, simple white sanitary ware and a power shower will be expected.



Carpets, usually preferred in bedrooms, should be neutral in colour and short pile to make them easier to clean.



Incorporate as much storage as you can. Built-in wardrobes, somewhere to hang coats and a place to store suitcases will all increase a property's practical appeal.



For kitchens, simple styles of cabinets and hard flooring work best.



Lighting is key to creating warmth and atmosphere, so consider how to achieve this while protecting your property's energy efficiency rating.



Dress windows appropriately, using a combination of shutters, blinds and curtains to suit the space.

OUR SERVICES

Whether you have a single property or an entire portfolio, we like to keep things simple. That's why we offer our private landlords three straightforward services:

1 Standard letting service

This service applies to initial fixed tenancy terms of six months or more. It is designed for landlords with the time and expertise to manage tenant requests, safety, compliance, maintenance and repairs themselves during a tenancy, and with the experience to handle deposit allocations at the end.

What's included

- Pricing and property presentation advice
- Comprehensive marketing, usually including professional photography and a floor plan
- Viewings and tenancy negotiations
- Pre-tenancy administration
- Rent collection, regular statements and late payment chasing (if necessary)
- Access to Hamptons' online landlord portal

2 Property management service

Designed to complement our standard and short let services, this is ideal for landlords who require support to meet their legal, safety and maintenance obligations, and to assist those without the time or desire to deal with routine requests from a tenant. This delivers complete peace of mind from the time a property is first marketed until the last deposit is returned.

This service is also available to landlords who have not used our standard letting or short let services.

What's included

- All contact with your tenant filtered through us
- An experienced property manager
- 24-hour emergency support line
- Key holding service
- Safety certificate renewal
- Right to Rent re-check
- Oversight of routine maintenance and repairs
- Annual property visit
- Access to preferential rates from vetted and approved contractors
- Access to our in-house property refurbishment service
- Utility account transfers
- Access to Hamptons' online landlord portal
- End of tenancy deposit return

3 Short let service

For stays of less than six months, this service suits landlords looking for higher rental returns who are happy to accommodate more frequent changes of occupancy. This service is usually combined with our full management service at the tenant's request and offers the same services as our Standard Letting Service (above).



OUR SERVICES



Pre-tenancy

Doing our bit for the planet matters to us so we will provide all documentation to you in electronic form unless you specifically request otherwise.

We will happily arrange any pre-tenancy items that you may need such as a gas safety record, electrical safety checks, smoke alarm or carbon monoxide alarm checks, professional pre-tenancy clean and an inventory and check-in.

A professional inventory must be used to check a tenant in and out at the beginning and end of a tenancy. Failure to do so may leave you unable to make a claim against the deposit in the event of damage or dilapidation occurring.

Hamptons' Landlord Portal

MyHamptons provides instant access to your personal Hamptons International account, 24 hours a day 365 days a year, and can be accessed from any desktop, tablet or mobile device.

Tenancy preparation

To secure the right tenant, and help you meet your legal obligations, we will

- Prepare the most suitable type of tenancy agreement or short let agreement
- Provide an open banking-based reference for each tenant who will be named on the agreement (excluding short lets, where the entire rent is usually collected in full in advance)
- Complete initial Right to Rent checks
- Register your tenant's deposit with the Tenancy Deposit Scheme (TDS)

If you allow a tenancy to proceed with a deposit replacement product instead of a cash deposit sum, we will make the necessary introductions to one of our deposit replacement partners.

Rent and legal protection insurance

While we make every effort to verify that a tenant has the financial

means to meet his/ her financial obligations to you, none of us knows what the future may hold. Landlords seeking peace of mind from Rent and Legal Protection Insurance may ask us to arrange this via our specialist partners at HomeLet and Keysafe.

Tax liability

You are liable for taxation on your rental income and must liaise with HMRC regarding payment arrangements. We advise you to engage the services of a qualified accountant to ensure that you correctly understand your liabilities and allowances before proceeding with a tenancy.

If you reside overseas for part or all of the tenancy, you must obtain permission from HMRC (by way of an approval number under the Non-Resident Landlord Scheme) to receive your rental income without tax deducted. If you fail to secure HMRC's approval for this, we are legally required to deduct tax at source which you may then need to reclaim from HMRC.

Bespoke services

For large-scale professional landlords (operating as a company) or institutionally backed PRS (private rental sector) Build To Rent operators, we offer a bespoke range of services. Your local Hamptons advisor will introduce you to our specialist Build To Rent (PRS) team if required.

LETTING & PROPERTY MANAGEMENT SERVICES

	Standard Lettings Service	Fully Managed Service
Pricing, presentation and marketing advice	✓	✓
Professional photographs, floor plans and boards <i>(if required)</i>	✓	✓
Comprehensive marketing	✓	✓
Online promotion, including portals	✓	✓
Accompanied viewings and feedback	✓	✓
Pre-tenancy negotiations	✓	✓
Arranging tenant references*	✓	✓
Preparing the tenancy agreement*	✓	✓
Initial Right to Rent checks*	✓	✓
Collecting and protecting the tenant's deposit* <i>(via TDS)</i>	✓	✓
Providing rent and legal protection insurance information <i>(if required)</i>	✓	✓
Arranging a professional inventory	✓	✓
Booking safety checks <i>(including gas, electrical, smoke and carbon monoxide alarms)*</i>	✓	✓
Providing mandatory pre-tenancy documents to tenants	✓	✓
Handing over keys to tenants	✓	✓
Access to MyHamptons landlord portal	✓	✓
Ongoing collection of rent throughout tenancy	✓	✓
Regular client accounting statements	✓	✓
Chasing late rent payments	✓	✓
Rent review and tenancy term re-negotiation <i>(prior to the end of each initial fixed term)*</i>	✓	✓
Administration of tenancy renewal	✓	✓
Filtering of tenant enquiries/requests <i>(no direct contact for landlords)*</i>		✓
Experienced property manager		✓
Transfer of utility accounts at start/end of tenancies		✓
24 hour emergency repair line		✓
Key holding service		✓
Annual and periodic safety inspections		✓
Documentation updates to tenants during tenancy		✓
Right to Rent re-check service		✓
Oversight of routine maintenance and repairs		✓
Annual property visit		✓
Access to preferential rates and approved contractors		✓
Priority access to in-house property refurbishment services		✓
End of tenancy deposit apportionment and return		✓

*See Hamptons' International's Terms of Engagement for further details

LEGAL & REGULATORY CONSIDERATIONS

There are over 150 separate pieces of statutory legislation governing how landlords, tenants and tenancies must operate in England and Wales. Below is a brief overview of the implications of some of the most commonly encountered Acts and regulations, and details of how Hamptons will help you to comply.

Energy Performance Certificate

Agents are not permitted to market properties without a valid Energy Performance Certificate (EPC) and landlords are obliged to provide tenants with a copy of a valid EPC before the start of every tenancy.

We can arrange this for you and provide your tenant with a copy at the start of a tenancy.

Minimum energy efficiency standards for landlords

It is not possible to let a property with an EPC rating below E, and from April 2020 it will not be possible to renew a tenancy in a property where the rating is below E.

Improvements are usually possible and we work with a number of specialist companies who can advise further.

Green deal

Where a Green Deal, or other similar scheme, has been used to improve a property's energy efficiency, please notify us before marketing begins.

Right to Rent

Before a tenancy begins, landlords in England and Wales have a legal obligation to ensure that their tenant and any permitted occupants have the right to remain in the UK before a tenancy commences.

If they have the right, but for a limited time only, follow up checks are also required.

We will complete the initial checks for you and, if you appoint us to manage the property, offer a re-check service too.

Deposit protection

When a tenant pays a cash deposit, it must be protected in a Government approved scheme within 30 days of receipt if the tenancy will be an Assured Shorthold Tenancy (AST).

We will tell you whether the tenancy will be an AST or not and we'll protect the tenant's deposit for you if necessary.

Local authority licensing (houses in multiple occupation)

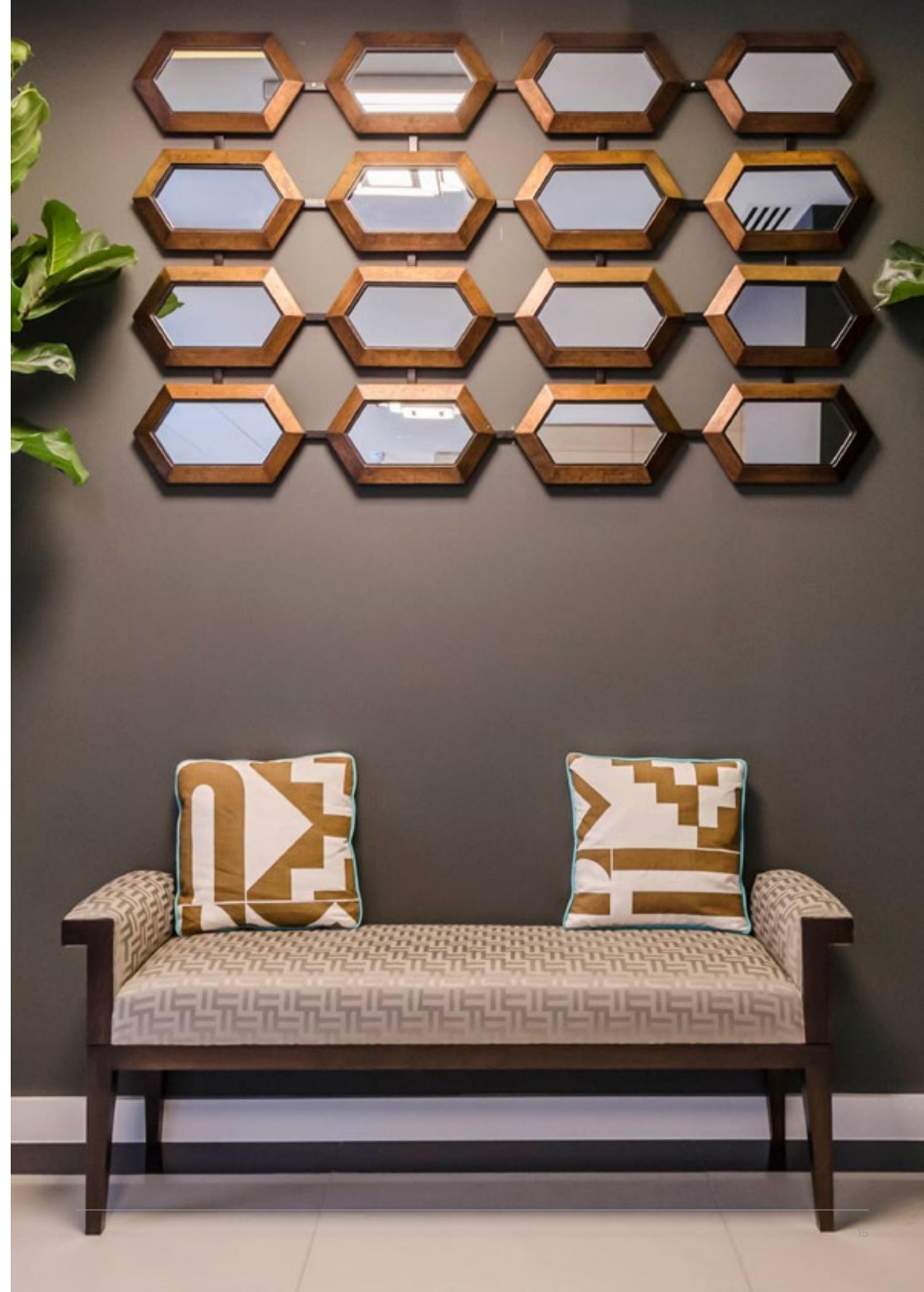
Depending on the type, location and occupancy of your property, a license may be required from your local authority. It is important that you understand your local authority's requirements as every borough operates its own scheme and there are mandatory and discretionary licenses which may be required.

We can arrange support from an expert third party to establish your liability and assist with any resulting licensing application.

Gas safety regulations

If your property has a supply of gas to it you must check all gas appliances annually and provide a Gas Safety Record to your tenant. A certificate must be provided before the start of any new tenancy and annually thereafter.

We will arrange this for you, if you wish, ahead of a new tenancy but it will be your responsibility to renew this unless you instruct us to manage the property for you. Where we manage the property on your behalf, we will renew the certificate and provide an updated copy to your tenant.



OUR BRANCH NETWORK

Electrical safety

You have a responsibility to ensure that the electrical installations and appliances in your property are safe. There is no specified format for this at present, so it is important to arrange a Portable Appliance Test (PAT) every year, and fixed wiring check every five years.

We will arrange these for you, if you wish, ahead of a new tenancy but it will be your responsibility to renew these unless you instruct us to manage the property for you. Where we manage the property on your behalf, we will renew the certificates and provide an updated copy to your tenant in line with your instructions.

Smoke and carbon monoxide alarms

It is mandatory to provide smoke and carbon monoxide alarms in specified locations throughout rented properties. The alarms must be tested and working at the start of every new tenancy and should be replaced at regular intervals.

We can arrange these checks for you, if you wish, ahead of a new tenancy but it will be your responsibility to continue checking them unless you instruct us to manage the property for you.

Fire and furnishings

Any furniture provided in a rented property must comply with fire resistance regulations. While some antique furniture may be exempt, labels attached to new furnishings will confirm compatibility and should be left attached. Separate safety standards deal with internal window blinds and the danger posed by cords and chains to babies and children.

We will be happy to advise further if needed, so please seek our advice before considering furnishing a rental property.

Water and bacterial control

You must ensure that risk from exposure to legionella in water systems is properly controlled. Properties which are left empty or those with open cold-water tanks, swimming pools and hot tubs are particularly at risk.

We can arrange risk assessments and offer further advice if we manage the property for you.

Heating and hot water

Landlords of properties in a block that benefits from a central or shared supply of services such as heating, air conditioning or hot water must provide details to the National Measurements Office if they intend to pass on charges for these services to a tenant. A meter must also be installed.

Where we are managing a property like this for you, we can assist with reporting, but we advise you to discuss this with us before marketing begins.

Charging of fees to tenants

From June 2019 it is no longer possible to charge most types of pre-tenancy costs to a tenant. Charges which are allowed include:

- Rent
- Deposits
- Up to £50 for administrative changes to a tenancy agreement
- Reasonable costs associated with early termination
- Payments for utility services
- Interest on late payments of rent (capped)
- Costs for replacement keys if lost

The Government expects that landlords and agents will share the impact of absorbing charges which previously were paid by tenants. Also, rents should not rise as a consequence of the implementation of the Tenant Fees Act.

We have worked hard to reduce our costs by increasing our operational efficiencies and have not increased published commission fees for landlords. We have restructured charges for some ancillary services that we provide to landlords, removing some costs altogether and combining others to deliver increased value to clients requiring the associated benefits.



To find out more about our services or to instruct us to commence marketing your property, please contact your local Hamptons' branch. The market's moving fast. Are you?

hamptons.co.uk



