



**Sapphire Homes** offer a comprehensive service in connection with the letting, management and care of property on behalf of owners / investors

The service involves the collection of rents, attention to repairs, payment of all out goings in accordance with instruction, preparation of Agreements and inventories, arranging of transfer readings of gas and electricity services, monthly statements and making payment of rent received either direct to an owner, their bank, or to wherever is required.

When you decide to let your property you will be faced with a series of practical considerations:

- How can I ensure I gain possession when I want to?
- What furniture and equipment do I need to provide for incoming tenants?
- What arrangements should be made regarding repairs?
- Who pays the bills for services like gas, electricity, water and recent council tax?

This brochure sets out to answer both these and many other practical questions in general terms. However, professional property management is about providing a service to match individual client requirements and we can tailor services to meet your particular need.

### **DEFINITIONS**

- (1) "The property" is that known as the property to be let above and includes reference to any part or parts of the property together with the garden, garage and parking space (if applicable).
- (2) "The tenant" means the person(s) legally entitled to occupy the property and includes the successions in title to the Tenant.
- (3) "The agreement" means the tenancy agreement between the Landlord and tenant.

### **INFORMATION FOR PROSPECTIVE CLIENTS**

#### **INITIAL VISIT**

The Agent shall upon the request of the landlord: Inspect the Property to agree an open market rental valuation & discuss the particular requests and potential marketing strategy relating to the property

#### **VIEWING**

Every applicant is accompanied to the property and the keys do not leave our possession until the appropriate reference checks have been completed, the agreements have been signed and the first payment of rent and deposit has been received.

#### **TENANTS**

Our experienced staff, interview all tenants and we instruct an independent credit reference company, Maras, to complete the vetting process which includes the following:-

1. Verification of home address supplied by applicant for the stipulated period.
2. Confirmation of reason for departure.
3. Checking that the company applicant is working for exists and is financially sound.
4. Verification as to the existence of the applicant's employment.
5. Confirmation as to the position held.
6. Employment commencement date.
7. Confirmation that the applicant is employed full time.
8. Verification of home address over the last three years.

9. Verification of date of birth (helps eliminate fraudulent applications).
10. Previous employers checked in same manner.
11. County court judgement search.
12. Bankruptcies search.
13. Bank and finance house report.
14. Company searches with respect to additional directorships.
15. Local councils and community charge checked.
16. Verification of Overseas Nationals in the above manner.
17. If needed, visit addresses and undertake discreet enquiries.

If it is not possible to get references for a tenant, guarantors are required before any agreement will be signed. Alternatively the full rent of the tenancy must be payable in advance before the commencement of the tenancy.

Deposits are taken and retained against dilapidations until the termination of the tenancy and held in government protected account in line with the new government regulations introduced in April 2007. All deposits remain in the client bank account and no interest is payable to the tenant or the landlord.

### **MAINTENANCE AND REPAIRS**

The Landlord is responsible for the repairs and upkeep of the property, which include:

- To keep in good repair the structure of the property (including the drains, gutter and down pipes) and the exterior.
- To keep in good general repair the appliances / meters for the supply of gas, electricity and water.
- To keep in repair appliances / systems for the supply of heating and hot water
- To keep in repair the sanitary appliances.

In respect of Appliances – it is the landlord's responsibility to ensure that any appliances left in the property are:-

- In good repair and working order
- Kept in repair during the tenancy and
- Replaced when necessary

### **FURNITURE AND EQUIPMENT**

Properties may be let furnished, part furnished or fully furnished.

If your property is to be let fully / part furnished you must ensure that the legal requirements outlined below are fully adhered to.

We strongly advise that delicate or irreplaceable objects are removed before the premises are let i.e. Televisions / hi-fi systems

Prior to a tenancy commencing we would seek to ascertain instructions from yourself to create a tenant handbook specific to your property i.e. location of stop taps, instructions for alarms, central heating and service providers etc.

### **FURNITURE & FURNISHINGS (Fire Safety) regulations 1988 (amended 1989 + 1993)**

It is a requirement that from the 1<sup>st</sup> March 1993 landlords must ensure that any soft furniture must meet requirement standards for fire resistance. These standards include two tests; the match test and the cigarette test. If a property is already being let a transitional period until the end of 1996 has been allowed. *The landlord must ensure labels are attached to the furniture at the property showing that they comply with the regulations.*

Upholstered articles (i.e. beds, sofa beds, arm chairs etc) must have fire resistant filling material and must have a match resistant test or, if of a certain material (i.e. silk) be used with a fire resistant liner. The combination of the cover fabric and the filling must have passed a cigarette resistance test.

The regulations do not apply to antique furniture or any furniture produced prior to 1950. Carpets, curtains and duvet covers are also excluded.

The maximum penalty for non-compliance is 6 months imprisonment or a £5000 fine or both.

#### **ELECTRICAL EQUIPMENT (Safety) REGULATIONS (1994)**

All electrical installations, wiring and appliance must comply with the above regulations. The Agent reserves the right to use a nominated contractor to test the electrical wiring circuits and electrical appliances within the Property for compliance to the regulations.

#### **ENERGY PERFORMANCE REGULATIONS (2008)**

The landlord must insure that a valid Energy Performance Certificate (EPC) is available for view by any potential tenants. The Agent reserves the right to use a nominated contractor for the EPC within the property. Should the Landlord fail to provide a current certificate from a contractor of their choice the agent will arrange for the checks to be carried out at the Landlords expense. No tenancy will commence until the agent receives a valid compliance certificate.

#### **GAS SAFETY (Installation and Use) REGULATIONS 1988**

Under the Gas safety (Installation and Use) Regulations Act October 31st 1994 it is now a legal requirement to have all gas appliances serviced annually by a Corgi Registered Engineer and a certificate provided for inspection by the Tenant.

The maximum penalty for non-compliance is two years imprisonment or a £5000 fine or both.

Sapphire Homes arrange all Gas Safety Certificates from their own Corgi / Gas safe plumbers and these are produced at an annual charge of £65.00

#### **INSTRUCTION MANUALS**

English instruction manuals must be provided for every gas, electrical, oil or solid burning appliance, including all central heating systems in the Property. If instructions are not included, the appliance may be removed from the property. The agent reserves the right to supply instruction manuals at the landlords expense.

#### **INDEMNITY OF THE AGENT**

The Landlord agrees to indemnify the Agent against any damage or liability, whether civil or criminal, suffered from and during the time the Agent is or was acting on the Landlord's behalf. The landlord shall indemnify the Agent, for the cost of any work affected at the Property that was undertaken to ensure that the property (and its contents) complies with the Landlords obligations to the Tenant.

#### **DILAPIDATIONS**

We obtain from the tenant, prior to the commencement of the tenancy, a deposit against damage. At the time the tenant leaves your property the inventory will be checked and a schedule of dilapidations, if necessary, will be prepared.

The fees for the preparation of an inventory are outlined in the agreement and as standard practice – Sapphire Homes make this a compulsory service.

*Note. Without an inventory, the Landlord, may lose any right to make a claim for compensation against the Tenant for damage to the property during the term of the let.*

It must be remembered that the property is subject to a 'fair wear and tear' clause and will be subjected to the stresses and strains of everyday living. A property cannot be expected to be in the same condition at the end of a letting as it was at the commencement. We further find that internal decorations may need attention after two or three years of occupation by tenants and is the landlords responsibility.

The full replacement costs of many articles found defective may not be charged against the tenant as in

many cases these articles will have undergone varying lengths of usage. It is the responsibility of the Landlord to ensure that all items left in a tenancy are maintained in working order, repairs and replacement of old equipment is the responsibility of the Landlord.

### **TYPES OF TENANCY AGREEMENT**

Under the Housing Act 1988 a tenancy will always be an Assured Shorthold Tenancy. If the property were not let to an individual but to a company a Contractual Agreement would be compiled. The majority of Tenants tend to apply for an initial term of either twelve months or six months with a view to extending thereafter on a monthly basis or renewal of the tenancy.

### **SERVICES**

Tenants are responsible, under the terms of the agreement. For their own supply of gas, electricity and water and are accountable direct to the respective boards / suppliers. Sapphire Homes will take meter readings at the start and end of a tenancy. They are also liable for Council Tax Payments.

### **TELEPHONE & UTILITIES**

Before the commencement of the Agreement, the landlord should ensure that the telephone is disconnected and all utility companies are notified to avoid any debt arising under the landlord's name.

### **FORWARDING OF MAIL**

Arrangements should be made with the Post Office for the redirecting of all mail.

### **INSPECTIONS**

The agent will visit the property twice per annum and findings of the inspection provided to the owner, together with any recommendations, if any. Further visits shall be made upon request by the Landlord, at charge of £55.00 (plus VAT) per visit. Non-expert investigation of apparent and obvious defects that are brought to the Agents attention via the Tenant or third party may be undertaken. Sapphire Homes accept no responsibility for hidden defects & advises the Landlord to instruct a structural surveyor or engineer for such circumstances.

### **REPAIRS**

We will undertake the day-to-day maintenance of your property, dealing with tenant's problems, repairs and breakdowns.

We have a register of reputable builders, decorators, plumbers, electricians and general workmen who deal with problems promptly. In the event of a repair being in excess of £100 we would seek authority prior to the work commencing with the exception of an emergency.

In the event that instructions are not received from the landlord, in an emergency, and/or there is a defect that is likely to cause death or injury, the Agent will have full authority to act in the Landlords best interests.

Except where otherwise provided, if the Landlord provides the Agent with a nominated contractor, the Agent shall make every reasonable effort to contact him.

The Agent reserves the right to instruct an alternative contractor to prevent or to mitigate further loss and/or damage to the property.

### **INSURANCE**

We require details of your insurance policies. It is your responsibility to ensure that all your policies provide adequate cover at all times.

## **MORTGAGES**

Please note that the consent of your mortgage lender must be obtained before you enter into a letting agreement with a mortgaged property.

We must have a letter from your mortgage lender confirming their agreement to the letting of your property and setting out any terms with which we must comply.

Mortgages Lenders frequently require us to supply copies of the Tenancy Agreement and Inventory and in some cases you may be liable to pay a registration fee before a letting can commence.

## **GROUND RENT**

The Landlord pays ground rent and maintenance charges payable on the lease.

## **REPOSSESSION**

We take every precaution to ensure that our client can regain possession if and when required. The most suitable form of tenancy agreement will be prepared for you in order to protect your rights as a Landlord.

All tenancies that Sapphire Homes compile are on an Assured Shorthold Tenancy, under the provisions of the Housing Act 1988. The Agreement can be brought to an end at the end of the term by giving not less than two months notice and the tenant giving one month notice. In the event of a tenant not vacating the premises, recovery of the possession may be obtained by Court Order.

## **INCOME TAX CONSIDERATIONS**

The Landlord is normally entitled to claim against the net income from the property and relevant mortgage interest paid to a Building Society or other approved lender. Such claims should be lodged directly with the Revenue at the end of each financial year. Tax is not deducted from rental income

If we are called upon to prepare statements of income and expenditure and agree these figures with the Inland Revenue, a charge will be made for this service.

Allowances that can be set against Rental Income are:

- Water Rates and Community Charge where applicable.
- 10% of gross rental less water rates as depreciation.
- All agents' fees and charges
- All maintenance fees & servicing expenditure carried out whilst the property is let.
- Insurance policies related to the letting.
- The cost of visiting your property on necessary occasions, e.g. eviction can be claimed for, providing they are sensible costs.

## **PREPARATION OF THE PROPERTY**

We find that sometimes property owners do not have the time to carry out necessary work to their properties prior to letting. In these circumstances we are happy to supervise decoration & acquire furniture for our clients. We will also supervise the installation, removal or repair of items. Our charge for this service is calculated on a time basis.

## **COMPLETION OF THE INVENTORY, CHECK IN AND CHECK OUT**

An Inventory is completed at the beginning of each tenancy for both unfurnished and furnished properties. Photographs are also taken and stored on a disc in the office. The tenant will be required to agree and sign the inventory at the commencement of the tenancy. The inventory is a compulsory service.

### **VOID PERIODS**

Sapphire Homes do not include security or supervision of the Property when it is not let. The Landlord must make suitable arrangements to have the Property checked during void periods.

### **MARKETING**

Letting the Property may include advertising in the local press "Wigan Reporter" on a weekly basis until the property is occupied, our in house mailing list and database, a "To Let" board outside the property and the following websites.

[www.sapphirehomes.co.uk](http://www.sapphirehomes.co.uk)  
[www.vebra.com](http://www.vebra.com)  
[www.primelocation.com](http://www.primelocation.com)

[www.rightmove.co.uk](http://www.rightmove.co.uk)  
[www.propertytoday.co.uk](http://www.propertytoday.co.uk)

[www.propertyfinder.com](http://www.propertyfinder.com)  
[www.findaproperty.com](http://www.findaproperty.com)

This high level of exposure is essential in order to maintain our reputation of finding high quality tenants and producing a quick turnaround in occupying properties.

### **ADVERTISING FEE'S**

Advertising will be included as outlined on the final page of the brochure. If the landlord requests additional advertising the Landlord can contact the agent to negotiate a specific marketing strategy.

### **WITHDRAWAL FROM MARKETING**

Where the Landlord withdraws Instructions to let the property, the landlord shall pay the Agent the costs and expenses incurred up to the sum of £80.50 inclusive of VAT or £195.50 inclusive of VAT if an application has already been processed.

### **DEDUCTIONS**

If any fees, charges and repair costs remain outstanding before payment to the Landlord of rental income (collected at the commencement of a tenancy), these shall be deducted by the agent.

### **PAYMENTS**

The agent shall receive the rent from the tenant each month by standing order. The Agent shall make monthly accounts to the Landlord within 14 working days after receipt of cleared funds. Payment will be by Bank Transfer (BACS) direct to the Landlords account. Three working days should be allowed for the funds to clear in to the landlords account. If the rent is not received from the Tenant, Sapphire Homes will take all the appropriate action or legal action to recover rent arrears or seek possession of the property through the courts. The Agent is not responsible if a Tenant fails to pay rent.

The Landlord remains responsible to ensure that all ground rent and service charges are payable, if applicable.

## **BREAKDOWN OF CHARGES**

The following services are available from Sapphire Homes

**INTRODUCTION ONLY** - We advertise your property to let on a regular basis by:

- Displaying details in our prominent town centre office
- Free advertising in the local newspaper – weekly (Wigan Reporter)
- Telesales – ringing registered clients on our in house database
- Giving details to prospective tenants on our Mailing List via post or email
- Internet Advertising – a range of websites mentioned previously in brochure
- Free chauffeur driven accompanied viewings
- Take the appropriate credit check and references as appropriate
- The office is open 6 days a week – Monday to Saturday
- 24 hour phone system – which diverts to mobiles ensuring a potential client is never missed
- We endeavour to introduce a suitable tenant, negotiate the best possible rent terms and conditions and obtain various references as stipulated previously.

**Fees:** £350.00 plus the cost of the inventory.

## **FULL MANAGEMENT**

Displaying details in our prominent town centre office

- **All of the Above plus:**
- Obtain authority from lender
- Dealing with any day-to-day tenants needs or problems.
- Undertaking any maintenance, repairs or breakdown in connection with the property to the amount agreed outlined in the brochure
- Resolving any outstanding bills that may be at the property.
- Serving any Notices where necessary.
- Carrying out periodic inspections to your home.
- Informing the appropriate Local authorities of any changes in circumstances with regard to the property and dealing with any of their queries.
- Informing appropriate gas and electricity boards of new occupation and transfer accounts directly into the name of the tenants where appropriate.
- Wherever possible, dealing with any insurance claims.
- Taking every precaution to ensure that possession can be regained as and when required.
- 24-hour emergency call out service.
- Arranging Gas Safety Certificates annually
- Arranging an EPC to be carried out where necessary

**Fees:** One off payment of one week's rent, plus 10.00% + VAT of the rent collected.

## **COMPULSORY CHARGES FOR BOTH SERVICES**

- An inventory is required at a fee of **£20.00** for unfurnished properties and **£30.00** for furnished properties. This enables Sapphire Homes to protect your property and to ensure deductions can be made from the bond should this be necessary.
- Sapphire Homes will carry out the annual Gas Safety Check at a cost of £65.00 per annum
- A charge of £65.00 for an Energy Performance Certificate if not in place and provided to the office.

## **TERMINATION OF MANAGEMENT**

If you choose to end this agreement within the first six months or after that period yet keep the tenant found by Sapphire Homes. You will be liable for a release fee of **£350.00**. You will also need the tenant to sign a new tenancy agreement as the one from Sapphire Homes would then be made void. The landlord may terminate the Agreement giving not less than two months written notice to the Agent.. If the Tenant/s remains in occupation of the Property, the Agent shall charge the appropriate tenant finding fee. The Agent may terminate this agreement upon giving not less than two months written notice. If any term of condition of this agreement or statutory obligation is breached by the Landlord or any act or omission which renders the Agents duties of managing the property impractical or impossible, the Agent may terminate the Agreement with immediate effect.