

# arden

PROPERTY MANAGEMENT

## **Landlord Information**

# Our Services

	<b>Full Management</b>	<b>Let Only</b>	<b>Marketing Only</b>
Property Marketing	▪	▪	▪
Accompanied Viewings	▪	▪	
Tenant Referencing	▪	▪	
Inventory	▪	▪	
Tenancy Agreement	▪	▪	
Utility Changeover	▪	▪	
Tenant Check-In	▪	▪	
Check Out Inspection	▪		
Arrange Safety Inspections	▪		
Property Visits	▪		
Rent Collection	▪		
Maintenance Management	▪		
Key Management	▪		
No Advance Charges	▪		
Deposit Administration	▪		
Landlord Newsletter	▪		
Dedicated Property Manager	▪		
Online Statement Access	▪		
<b>Fees</b>	<b>12%</b>	<b>£600</b>	<b>£300</b>

**Inclusive of VAT**

# About Us

Arden Property Management was established in 2006 and is still run by founder Catriona Smith and her professionally qualified team. Our service has won various awards, most notably Best Scottish Agent voted for by Landlords at the 2017 ESTA Awards, where we also came second in the Scottish Tenant Award.

We are a registered agent with the Scottish Government and were one of the first agents to become so in 2018. We pride ourselves on offering a friendly, expert service and will always do our very best to look after our landlord, their property and their tenants.

We manage our properties proactively, checking rent levels against the current market, giving feedback from property visits and advice on any works required to keep the property in good condition. We want to make sure that the return on your property investment is the best it can be. You can also rest assured that tenants are carefully selected with our rule of thumb being that if we wouldn't put a potential tenant into our own property then they won't be a tenant in yours.

We are always keen to hear from our landlords and are open six days so if you want to drop in to have a chat about anything you can, or if we aren't getting something quite right, then tell us so that we can.

Please find enclosed an overview of our services, details of the legislation which covers landlord responsibilities, standards required for rental properties, tenancy agreement information and an explanation of Letting Agent Registration.

Please feel free to call, pop into the office or email, [info@ardenpm.co.uk](mailto:info@ardenpm.co.uk) if you have any queries at all. We hope that you chose Arden Property Management as your agent and look forward to hearing from you.

**Arden Property Management LLP**

**43 Morningside Road, Edinburgh, EH10 4DR**

**ardenpm.co.uk | 0131 516 8159**

# Accreditation and Awards

Arden Property Management are currently member of the following accreditation bodies:



These organisations help us to ensure we meet the high standards expected, but also keep us up to date with the latest changes in legislation and legal requirements within the lettings industry. We pass on this information to our landlords by emailing easy to understand newsletters.



In 2017 Arden Property Management entered The ESTAS, a national awards scheme, hosted in London. We were delighted to win GOLD for our Landlord Service and SILVER for Tenants, based on customer reviews. This validated our service and marked a mile stone during our 10<sup>th</sup> year of business.

# Our Services

We offer an all-inclusive management package, this means we do not charge extra for what we regard as essential services, though many other agents do.

Service	Cost	Additional Information
Full Management	No Let No Fee 12% (10%+VAT)	£280 Letting Fee for Each New Lease
Let Only	£600 Fixed Fee	50% Paid in Advance Balance on Completion
Marketing Only	£300 Fixed Fee	Paid in Advance non refundable
Investment / Buying	On Agreement	Arrangement Fee Paid in Advance / Settlement Fee Due upon Completion

## Additional Services

Additional Service	Cost	Additional Information
Insurance Claim Management	9.6%	Capped at £600
House Sitting Per Visit	£30 Per Hour	Delivery / Contractor Access
Communal Repair Management	9.6%	Capped at £600
Application to First-Tier Tribunal	£60	Per Application
Attend at the First-Tier Tribunal	£30 Per Hour	Charged at a minimum of 2 hours
HMO Licence Management	£18 pcm	Charged Monthly
HMO New Application	£300	For Each New Application (Payable in advance and in addition to fee charged by Local Authority. Not refundable if application is unsuccessful )

**Inclusive of VAT**

# Full Property Management

Our comprehensive fully managed service means that you can leave everything to Arden to be looked after. You can also be confident that there are no hidden charges, we do everything needed to manage your property expertly

## Marketing

Professional advice on the presentation of your property for marketing including advice on furnishings, décor and safety

Marketing photos for use online and our window displays in our prominent offices in Morningside and on Northumberland Street

Extensive internet exposure through the following sites

- Citylets – Scotland’s biggest rental portal
- Lettingweb – Scottish company feeding out to the broad network below
- Gumtree – excellent source of enquiries
- Arden Web Site – this is mainly used as a tool once we have an enquiry from one of the other sites or for walk ins at our offices

Supply and removal of a To Let Board if required



[Image Source: lettingweb.com]

## **Tenant Selection**

Our interest is your interest when it comes to tenant selection. We want someone who is going to look after the property, pay their rent on time and stay for as long as possible. We begin the process of selection from the very first meeting at the viewing where we will informally be assessing a tenant's suitability. We carry out accompanied viewings 6 days a week to find your tenant.

The formal application comprises of the following

- Completing our application form which gathers contact details, address history, employment information etc.
- Photographic ID – We are required by law to ensure that tenants are eligible to rent a property. This is particularly relevant when we are dealing with foreign nationals who require a visa to be in the UK as we must check this is valid at the start of the tenancy
- Previous landlord References where ever possible
- Proof of income, normally the last two months pay slips
- Employer confirmation to make sure that employment is a full time permanent position
- Full credit check carried out within 7 days of the application

Student applications differ slightly as they have no income, in which case we would expect the Guarantor to comply with the above requirements. We do not usually accept guarantors for anyone other than students.

Obviously not all tenants can fulfil these criteria and therefore we can ask for a larger deposit (maximum two months' rent) or rent paid in advance (maximum 6 months). This situation often occurs when we are dealing with people who have just arrived in the UK or for people who have been living abroad and are returning to the UK.

## **Tenancy Set Up**

Once we have a suitable tenant in place we will then organise the following

Draw up the Private Residential Tenancy as per Government guidelines, supplying a sample copy and support notes to the tenant, prior to the tenancy starting

Draw up a detailed inventory of your property, recording the fixtures, fittings and furnishings in the property and also their condition. This will include gardens, grounds and any outbuildings.

Collect the deposit and give the tenant a receipt for this

Provide an advance rental invoice which must be settled prior to move in

Meet the tenant at the property to handover keys, demonstrate the heating and any appliances the tenant is unfamiliar with and answer any queries the tenant may have

Take meter reads and ensure that utilities and Council Tax are changed into the tenant's name

Provide tenant with a detailed information pack, copies of their tenancy documents and all safety certificates

Advise tenants of the Letting Agent Code of Practice and the First Tier Tribunal

## **Tenancy Management**

Provide a named contact for the tenants during their tenancy

Advise on Notice periods for the tenant when they wish to end the tenancy

Serve notice if required by the Landlord

Carry out an end of tenancy check out inspection advising tenants of any deductions

Make proposals to Safe Deposits Scotland to recover these deductions

Defend disputed deductions after negotiation fails to provide a mutually agreeable resolution

## **Management of Your Property**

Individual Property Manager assigned to your property supported by our office team

Office based Maintenance Manager who will work alongside your PM to instruct and manage maintenance using our local bank of professional, qualified where necessary and fully insured tradespeople.

Monitor and instruct as necessary all safety checks to ensure that the property remains fully compliant throughout all tenancies

Ensure your property meets The Repairing Standard at the start of the tenancy by carrying out a pre tenancy inspection

Carry out quarterly property visits to maintain this standard providing the Landlord with feedback from the visits, maintenance issues being highlighted for action

Advise on potential refurbishment requirements to maintain the standard of your property and schedule these between tenancies as required

Obtain a quote for works if this is required prior to going ahead. Small works cannot be quoted for and our normal practice is to instruct no more than 2 quotes for large jobs

Organise any works arising from tenant check out, including uplift of abandoned furniture or goods, cleaning or repairs

## **Financial and Legal Management**

Collect rent on a monthly basis and pass funds net of any expenses over to landlords before the end of the calendar month

Provide a free online service to access your property account

Appraise rents regularly and action increases legally, to keep rent in line with current market levels

Submit all deposits to a deposit protection scheme within legal time limits

Keep abreast of all new legislation and update landlords accordingly

Action any new legislation as required

Ensure that landlords and their properties are compliant with all legislation wherever this is within our control to do so

Ensure that our staff adhere to the Letting Agent Code of Practice

## **Let Only**

This service is for Landlords who wish to manage the day to day running of their property themselves. It isn't advisable if you are not in a position to visit your property on a regular basis or willing to be contacted directly by your tenants for maintenance issues. You should also be aware that keeping the property compliant is a legal responsibility and failure to do so could result in fines and withdrawal of Landlord Registration which in effect disallows you from being a Landlord.

Our Let Only Service includes everything listed in our Marketing, Tenant Selection and Tenancy Set Up Service. After the tenant has moved in we would then pass the deposit and the rent net, of any expenses, over to the Landlord. Please note it is the Landlord's responsibility to submit the deposit to an approved protection scheme within the legal time frame.

## **Marketing Only**

This package consists of the items detailed above in the marketing section of the Full Management Service. When we receive an enquiry this is passed on to the landlord who must then follow this up and make any arrangements for viewing. We do not normally hold keys for a Market Only property but we must have proof that the property and landlord are fully compliant with all legislation before we can go ahead.

## **Prepare for Letting**

As soon as you decide to let a property it is important to get a professional out to have a look, mainly to save you from unnecessary cost. Generally the better the condition of the property, the easier it is to let and for a higher rent but sometimes the things which you perceive as important to a tenant perhaps aren't. We normally advise the following

Make sure the property is scrupulously clean. This is extremely important and it is worth getting in a professional cleaner to do finishing touches and provide you with an invoice which can be used as evidence during any deposit dispute. We have attached the cleaning check list we send to tenants at check out to let you see the standards we look for from tenants

Shampoo your carpets and get a receipt, for the same reason as above and it means we can then write into your tenants lease that they must shampoo carpets at the end of the tenancy

Make sure the décor is as fresh as it can be and choose neutral colour schemes. No feature wall paper with large patterns, these can be potentially off putting, and everyone's taste is different. Leave a blank canvas for the tenant to accessorise once they move in, though for viewings personal touches can add to the appeal

Floor coverings all need to be in as good condition as possible and if there are carpets which have old fashioned swirly patterns then it is worth considering replacing these as they can put tenants off

The property should be well maintained throughout

Appliances must all be in working order or removed. If you have instruction manuals please supply these along with any guarantees or warranties.

Any garden and outhouses should also be tidy and well maintained

## **Furnishing the Property**

Keep furnishing to a minimum, the more you supply the more you must maintain, however it is worth noting that if you make your property a bit more stylish and put in good quality furniture the chances are it will rent more quickly and with a higher rent

All windows must have coverings which should be of good quality, blinds should preferably be blackout and curtains lined for insulation and to cut out light

All light fitting should have shades

A list of suggested furnishings is available at the end of this document

# **Regulations for Properties and Landlords**

## **Property Compliance**

Over the past decade there have been a number of changes in the standards required for let property in Scotland, who lead the way in the UK market.

## **Furniture and Furnishings**

The Furniture and Furnishings (Fire) (Safety) Regulations 1988 (amended 1989 & 1993) provide that specified items used in the course of letting Property must meet minimum fire resistant standards. These regulations apply to armchairs, sofas, seat pads, bean bags, loose and stretch covers for upholstered furniture, beds, headboards and mattresses, sofa-beds, futons and other convertibles, nursery furniture, garden furniture suitable for use in a dwelling, scatter cushions, pillows, and non-original covers for furniture. They do not apply to antique furniture or furniture made before 1950, bed clothes including duvets, loose covers for mattresses, pillowcases, curtains, carpets or sleeping bags. In practice, items that comply will have a suitably marked permanent label attached. In order to avoid the Landlord or this Agency contravening these regulations it is our policy to inspect the Property for non-compliant items and to insist on their removal or replacement prior to letting. Any relevant items introduced to the Property by us in the course of our service will comply with the regulations.

## **Carbon Monoxide Detectors**

Carbon Monoxide is a tasteless odourless gas which can be a by product from any appliance which burns carbon based fuel. Mainly this relates to gas appliances but log burners also fall into this category. A detector must be suitably positioned in every room where there is such an appliance and the detector must be a sealed unit with non-removable batteries.

Fire Detection <https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2016/12/fire-safety-guidance-private-rented-properties/documents/61c3041d-ae82-4fe5-8b34-26ced9c420c6/61c3041d-ae82-4fe5-8b34-26ced9c420c6/govscot%3Adocument>

## **Fire Detection**

All properties must have interlinked smoke and heat detection and from the 1<sup>st</sup> of March 2019, the use of radio linked alarms is acceptable, however mains wired is the best option. There must be an alarm in every room which is used regularly during the day, for example lounge, study or dining room. There should also be a heat detector in the kitchen and an alarm in the hallway. If the property has more than one storey there must be at least one alarm on every floor. These should be installed by suitably qualified electrician. The requirements for HMO properties is more stringent and all detectors must still be mains wired.

<https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2016/12/fire-safety-guidance-private-rented-properties/>

## **Gas Safety Certificate**

This is required annually (CP12) and must be carried out by a Gas Safe Qualified Engineer. Arden will normally carry out a service at the same time as the safety check to prolong the life of the boiler and to reduce any potential issues with CO emission

## **Electrical Installation Condition Report**

This report looks at the mains wiring of a property, the socket circuit, the lighting circuit and the fuse board for example. All let properties must have a satisfactory EICR in place before a tenancy can begin. These are normally valid for between three and five years depending on the condition and age of the wiring.

## **Portable Appliance Testing**

All plug in electrical plug in items must be checked to ensure that they are safe to use. We normally carry this out every 12 months and at the same time as the Gas Safety Check where ever possible.

## **Legionella Risk Assessment**

All landlords are required to carry out a risk assessment for their property. This should be done by a suitably qualified person and a copy of this Assessment must be submitted to Arden Property Management before a tenancy can begin. [www.hse.gov.uk/legionaires](http://www.hse.gov.uk/legionaires)

## Energy Performance Certificate

All properties which are rented out must have an Energy Performance Certificate. Scotland has a national register for these [www.scottishepcregister.org.uk](http://www.scottishepcregister.org.uk) you can download a copy from there. These last for 10 years and give an A – G rating which gives the tenant an idea of what sort of running costs might be incurred when they live in the property. There is currently no minimum standard but the following is due to be introduced

- Properties must have an EPC rating of E at change of tenancy from 1 April 2020
- All rental properties must have an EPC rating of E by 31 March 2022
- Properties must have an EPC rating of D at change of tenancy from 1 April 2022
- All rental properties must have an EPC rating of D by 31 March 2025
- In some situations there will be exemptions, including where it is not cost effective or technically feasible to carry out improvements to a property. The details of what the exemptions will be have not yet been finalised

## Landlord Registration

Private landlords are required to apply for registration with their local authority under Part 8 of the Antisocial Behaviour etc. (Scotland) Act 2004. If they rent properties out in more than one local authority they must register with each one individually. Operating as an unregistered landlord is a criminal offence which may be subject to a penalty on conviction of up to £50k and a ban on letting properties of up to 5 years.

All private landlords must display a current landlord registration number on any adverts to rent a property. A registration number shows that a landlord is approved by the local authority to let property. Where an application for registration has been submitted but not yet approved landlords must include the words “landlord registration pending”.

If you own or manage a property you are required to renew your application every 3 years. Failure to do so will result in an expired registration fee of £130. As of February 2019 you will be able to search for your registration expiry date on the website

You must inform the local authority of any changes to the information you have provided through the Scottish Landlord Register.

If you choose to have an agent to act for you, you can add their details to the website so that they are the first point of contact for any issues. You must give the Agent Registration Number which for Arden is **LARN1809020**.

## Overseas Landlord

Where you the Landlord are resident outside the UK for a period in excess of 6 months in any year we will retain pursuant to our authority to do so under section 83(2) of the Taxes Management Act 1970 an amount equal to the basic rate of income tax for that year from rental received, These funds will be held to your credit until our liability under the said Act has been agreed with the Inspector of Taxes by your accountant or tax advisor. It is agreed that no charge will be made for additional accounting and administration involved in setting aside these funds but that interest earned will be payable to and retained by this Agency. Where the Landlord is not resident abroad it is entirely his responsibility to inform the Inland Revenue of rental income received and to pay any tax due.

The Inland Revenue will then issue you with a CNR number which will also be sent to us. Until we receive this number we are legally bound to withhold tax at base rate from your rental income. As soon as we receive the CNR number we will release these funds to you but in the event that we have to make our quarterly return to the HMRC then these monies would have to be transferred and reclaimed by yourself from the HMRC.

Our Agency Number: 041304

More information can be found at - [www.gov.uk/government/publications/non-resident-landlord-application-to-have-uk-rental-income-without-deduction-of-uk-tax-individuals-nrl1](http://www.gov.uk/government/publications/non-resident-landlord-application-to-have-uk-rental-income-without-deduction-of-uk-tax-individuals-nrl1)

## HMO Licensing

If you have a larger property and intend to let it out to students or sharers you will require an HMO Licence for the property. This 'Houses in Multiple Occupancy Licence' is a legal requirement for properties where three or more unrelated individuals live together. Both the Landlord and their agent can be prosecuted should they ignore the regulations and this may lead to heavy fines and a life time ban on being a Landlord.

<http://www.scotland.gov.uk/Topics/Built-Environment/Housing/privaterent/government/hmo>

Detailed information can be downloaded directly from your local council website but we can help and advise on all aspects of HMO application and management.

## Mortgage permission

All Landlords must inform their mortgage provider of their intention to let out the property. It is very important to do this as otherwise you may be contravening the terms of your loan. Arden would require to see a copy of the permission to let letter from your mortgage provider.

# Insurance

All let properties must be insured under a Landlord Policy not Home Owners. Arden would strongly recommend that contents as well as buildings are insured and details of the policy passed to us in case of emergency. Please read the terms of your insurance carefully and if there are any requirements on types of tenants etc. then make sure that Arden know about this before the beginning of a tenancy.

# Letting Agent Requirements

As of 1<sup>st</sup> of October 2018 anyone carrying out letting agency work in Scotland must have applied to be placed on the Letting Agent Register. Arden Property Management' registration was approved on 21<sup>st</sup> September 2018 and our Agency number is LARN1809020.

In order to comply with the requirements, agents have to adhere to the Letting Agent Code of Practice, [www.gov.scot/publications/letting-agent-code-practice](http://www.gov.scot/publications/letting-agent-code-practice) have qualified trained staff, be insured and have client money protection insurance and operate a separate client bank account. Arden has always adhered to these standards and welcomes the introduction of this Registration which will improve professionalism throughout the lettings industry.

The level of training required is a professional qualification which is equivalent to a Higher/A Level. Although currently the regulations do not require all staff to be qualified, Arden has made this an aim and encourages all staff to pass their exams within a year of beginning to work at Arden, the aim being 100% qualified staff. There is also an ongoing requirement for Continuing Professional Development. This is covered by regular training at staff meetings, through training provided by organisations like Landlord Accreditation Scotland of which we are members and attendance at industry conferences and local SAL/CLA branch meetings.

# Private Residential Tenancy (PRT)

From 2017 the new PRT agreement replaced the Short Assured and Assured tenancy. The main changes are as follows

No minimum lease term - a fixed term can no longer be imposed

Notice period - the tenant may give 28 days' notice at any time (including HMO)

The landlord can only service notice citing one of the 18 grounds available for doing so, they cannot simply decide to end a tenancy. These grounds include situations where the tenancy has been breached by the tenant but also include if the property is going to have extensive refurbishment works (deeming the property uninhabitable), the Landlord is moving back in, or if the property is going to be sold

Tenants must give 28 days' notice to leave no matter how long the tenancy has lasted. If the notice is sent by email or by post the tenant must add two days for delivery, so in effect

30 days. Where there is a joint tenancy all tenants must give notice but this can be on one letter.

If the landlord wishes to serve notice and the tenancy is less than 6 months then they can give 28 days notice, citing an appropriate ground. Where tenancies have been in place for more than 6 months, the Landlord must give 84 days' notice unless the terms of the agreement have been broken by the tenant, in which case they can give 28 days, again citing the relevant ground

48 hours' notice must be given before accessing a property

Rent can only be increased once a year and by a reasonable amount. Tenants must be given three months' notice of the rent increase using a prescribed form and they have the right to refer any increase to a rent officer

From 1<sup>st</sup> December 2017 and no matter what agreement may have been written up and signed, it will automatically revert to a PRT by law after this date as it is illegal to create any other type of residential tenancy other than holiday lets and company lets. More information can be found at [www.gov.scot/publications/private-residential-tenancies-landlords-guide](http://www.gov.scot/publications/private-residential-tenancies-landlords-guide)

## First-Tier Tribunal

All matters relating to housing and property are now heard by the Housing and Property Chamber First Tier Tribunal and not the Sheriff Court. The Tribunal will deal with applications from Landlords, tenants and third parties. These applications can be for various reasons but will include recovery of rent, eviction notices and also complaints about breaches of the Code of Practice. Those hearing the case are legal and property professionals who have first-hand knowledge and experience of the industry and applicants and respondents will have the opportunity to attend the hearing and present their cases without the need for legal representation unless they choose to have this.

[www.housingandpropertychamber.scot](http://www.housingandpropertychamber.scot)

## Deposit Registration

It is mandatory for all agents and landlords to register a tenant's deposit with an approved scheme.

Arden Property Management are currently registered with Safe Deposit Scotland (SDS).

All deposits must be registered and paid over to SDS within 30 working days of the tenancy starting

At the end of the tenancy we have 30 working days to make a refund proposal. Following this the tenant then has 30 working days to respond - the tenant may also initiate this process giving us 30 days to respond

Only one claim can be made for expenses - costs cannot be added on after the initial request

Expenses must be justified and must take into consideration depreciation (usually 10 -20% per year). It is not accepted to claim NEW for OLD

The tenant has the right to dispute everything and if they do so Arden will provide evidence to support any claim we have made

If the tenant disputes the costs then each party must provide evidence to back-up their claim. As this process can take up to 8 weeks to fully resolve we will charge the Landlord for the outstanding invoices at this point and then reimburse them when the money is refunded from the Deposit Scheme.

## Cost Guide

We have put together a list of expected expenses and an ESTIMATE of the cost:

Service	Cost	Additional Information
HMO New Application Fee	£**	New Application Per Property
HMO License Renewal Fee	£**	Renewed 1-3 Years
Energy Performance Cert (EPC)	£65-£80	Every 10 Years
Gas Safety Inspection	£70-£80	Required Annually
Gas Safety and Boiler Service	£110	Required Annually
Portable Appliance Testing (PAT)	£45	Required Annually
Gas Safety, Boiler Service + PAT	£150	Required Annually
EICR (Wiring Inspection)	£70 - £150	Depending on the size of property / Required 3-5 Years
Fire Extinguisher for HMO	£30-£40	Required Annually
Legionella Risk Assessment	£65	Renewal as Reported
Installation Smoke alarms	£99 Per Alarm + Install	Must be hard wired and interlinked – minimum 3 per property

\*Please only use the above costs as a guide – VAT/Final charges may vary

\*\*HMO - Local authority charges vary

# The Repairing Standard

The Repairing Standard, contained in the Housing (Scotland) Act 2006, covers the legal and contractual obligations of private landlords to ensure that a property meets a minimum physical standard.

Landlords must carry out a pre-tenancy check of their property to identify work required to meet the Repairing Standard (described below) and notify tenants of any such work.

Landlords also have a duty to repair and maintain their property from the tenancy start date and throughout the tenancy. This includes a duty to make good any damage caused by doing this work. And, on becoming aware of a defect, landlords must complete the work within a reasonable time.

A privately rented property must meet the Repairing Standard as follows:

- the property must be wind and water tight and in all other respects reasonably fit for people to live in
- the structure and exterior (including drains, gutters and external pipes) must be in a reasonable state of repair and in proper working order
- installations for supplying water, gas and electricity and for sanitation, space heating and heating water must be in a reasonable state of repair and in proper working order
- any fixtures, fittings and appliances that the landlord provides under the tenancy must be in a reasonable state of repair and in proper working order
- any furnishings that the landlord provides under the tenancy must be capable of being used safely for the purpose for which they are designed
- the property must have a satisfactory way of detecting fires and for giving warning in the event of a fire or suspected fire
- the property must have satisfactory provision for giving warning if carbon monoxide is present in a concentration that is hazardous to health

If, after a landlord has been notified of any problem, it is not attended to satisfactorily or if there is disagreement about whether or not there is a problem, then tenants have the right to refer the matter to the First-tier Tribunal for Scotland Housing and Property Chamber.

[www.housingandpropertychamber.scot](http://www.housingandpropertychamber.scot) which has power to require a landlord to carry out work necessary to meet the standard and award compensation or penalise landlords who have breached this.

Further guidance and information on the repairing standard can be found at [www.housingandpropertychamber.scot/repairs](http://www.housingandpropertychamber.scot/repairs)

## **Rights of access to a property**

The landlord is entitled to enter the property to inspect any repairs required or to carry out repairs. The tenant is required to give the landlord reasonable access to do this. The landlord should normally arrange a suitable time with the tenant, but can enter the property, at a reasonable time of day, provided they have given the tenant 48 hours' notice in writing. (If an emergency repair is required, the landlord can claim immediate access.)

If a tenant still refuses to give access to the property an application can be made to the First Tier Tribunal to grant a Right of Entry notice for the Landlord or Letting Agent

## **Changes to the Repairing Standard**

The government announced last year that following a consultation in the spring of 2017 it would be making changes to the Repairing Standard. This is the standard of repair that all properties in the private rented sector must adhere to. The government has now laid draft legislation before parliament to introduce the following changes:

### **From 1 March 2019**

Repairing Standard amended to:

1. Include a requirement that the property meets the more basic Tolerable Standard. All properties in Scotland have been required to meet the Tolerable Standard since 1987. Incorporating it in the Repairing Standard ensures that any work required to comply can be raised in an application by a tenant to the First-tier Tribunal;
2. Make it clear that a flat in a tenement does not fail the Repairing Standard if work needed to comply with the standard cannot be carried out because a majority of owners in the tenement have refused consent to carry out the work;
3. Exclude tenancies of less than 31 days where the property is occupied for the purpose of a holiday.

We have been advised that existing statutory guidance for landlords will also be amended from 1 March 2019 to allow landlords to install either long life battery or mains powered smoke/heat alarms from that date. We expect the amended statutory guidance to stipulate that battery smoke alarms must conform to BS EN 14604 and battery heat alarms to BS 5446-2. From 1 February 2021 the current standards for provision of smoke/heat alarms, and for carbon monoxide alarms, in private rented housing will be included in the Tolerable Standard and will therefore apply to all tenures.

### **From 1 March 2024**

Repairing Standard extended to:

1. Include a requirement for safely accessible food storage and food preparation space;
2. Specify that there must be a fixed heating system;
3. Specify that where the house is a flat in a tenement, the tenant is able to safely access and use any common parts of the tenement, such as common closes;
4. Specify that where the house is a flat in a tenement, common doors must be secure and fitted with satisfactory locks, including a requirement that locks must allow users to open them from the inside without a key so that they do not inhibit exit in the event of a fire;

5. Specify that electrical installations must include a residual current device (a device to reduce the risk of electrocution and fire by breaking the circuit in the event of a fault);
6. Extend the existing duty to ensure that gas and electrical installations are in a reasonable state of repair and in proper working order, to any other type of fuel;
7. Specify that the house should be free of lead pipes from the boundary stopcock to the kitchen tap, and that if this cannot be confirmed, a water quality test must be carried out.

Statutory guidance will be issued for each of the above requirements to provide further detail on what landlords are expected to do.

## Income from Let Property

### Property Income

The income which you earn from your property is taxable, however there are a number of things which are tax deductible, for example agent fees, maintenance renewals etc. You should take advice from an accountant regarding your property income and you should also be aware that if you currently pay tax through an employer PAYE system, then you will need to make a return to HMRC and include your property income. More information can be found at

[www.gov.uk/guidance/income-tax-when-you-rent-out-a-property-working-out-your-rental-income#how-to-calculate-your-taxable-rental-profits](http://www.gov.uk/guidance/income-tax-when-you-rent-out-a-property-working-out-your-rental-income#how-to-calculate-your-taxable-rental-profits)

### Interest Restrictions

The government has changed the mortgage interest relief regime for individuals (and partnerships) and so they will only be able to claim interest on borrowings against income tax at the basic rate (the 20% tax band). This measure is being phased in but will be fully effective from 2020 onwards.

#### What does this mean for individuals?

If you have a property letting business and you are a higher rate tax payer, then your income tax liability is likely to increase under these new rules.

#### How does the interest restriction work?

From 2017/18, relief for interest paid by an individual on a loan to purchase a residential property which is let out will be restricted. The restriction does not apply to interest paid on a loan to purchase a commercial property or a furnished holiday let. The aim is to restrict the amount of tax relief for the interest paid to the basic rate of tax. The restriction is being phased in over 4 years as follows:

	Amount of interest paid subject to restriction
2017/18	25%
2018/19	50%
2019/20	75%
2020/21	100%

So, in 2017/18 if loan interest is paid of £5,000, 75% of that amount (being £3,750) will be deducted in full in arriving at the profit from property income. The remaining 25% (being £1,250) will only

qualify for basic rate relief and will not be deducted from income. Instead, the relief for the interest subject to restriction will be given at the basic rate as a reduction in arriving at the individual's income tax liability.

In a tax year, relief at 20% is only available on the lower of:

- The interest subject to restriction (so, £1,250 in our example);
- The property income for the year (less losses brought forward); or
- Adjusted total income (being total income less saving and dividend income less the personal allowance).

Where the amount eligible for 20% relief is less than the amount of interest actually paid, the amount which is not eligible for relief is carried forward to the following year. It is then added to the amount of interest subject to restriction for that year.

# What Happens Next

## Getting Started

- Call us on **0131 516 8159** to arrange a free, no obligation, rental evaluation visit
- Inform your mortgage provider that you intend to let the property
- Inform your insurance provider that you intend to let the property
- Review our terms and conditions (Landlord Agreement)
- Register as a landlord – [www.landlordregistrationscotland.gov.uk](http://www.landlordregistrationscotland.gov.uk)

## Marketing

- Provide Arden with the signed contract, supporting documents and keys
- Arrange an Energy Performance Certificate (required before advertising can begin)

## Get the Property Ready

- Ensure the property is ready to let – Refer to page 9
- Arrange an electrician to install the required Fire and CO Detection and also to carry out the EICR and Portable Appliance Testing
- Arrange a gas engineer to complete the CP12 / Landlords Gas Safety Certificate
- Have a Legionnaire check completed and provide the report

We are more than happy to arrange any works or safety inspections using our trusted contactors, please get in touch with us to discuss.

## Once the Property is Let

Arden Property Management will take care of all the required paperwork and check the tenants in. We will then arrange to visit and check the property within the next 3 months.

## Let Only

Arden Property Management will take care of all the required paperwork and check the tenants in.

Once the check-in is complete, all the documents will be passed to the landlord, any costs/fees deducted and the rent and deposit transferred to your nominated account.

You must register the tenants deposit within 30 working days of the lease start date.

# Furnishing for Letting

Listed below is what we view as minimum requirements but obviously it is up to the individual landlord what they supply in the property.

Everything including fixtures and fittings is inventoried at the beginning and end of each tenancy.

## **Kitchen**

Hob/Oven  
Fridge Freezer  
Washing Machine  
Crockery/glasses  
Chopping Boards  
Cutlery  
Pots/pans  
Cooking Utensils / Kitchen Knives  
Kettle  
Toaster  
Iron  
Ironing board  
Sweeping brush  
Large kitchen bin  
Dustpan and brush  
Vacuum cleaner  
Mop and bucket

## **Livingroom**

Sofa  
Coffee Table  
Lamp  
TV Stand

## **Bedroom**

Bed  
Mattress Protector  
Wardrobe  
Chest of Drawers  
Bedside Table  
Lamp  
Mirror

## **Bathroom**

Mirror  
Towel Rail  
Toilet Roll Holder  
Shelf or Cabinet  
Small Bin

In addition all windows should have curtains or blinds and all floors should be covered