

HOW TO BE A LANDLORD

**THE DEFINITIVE GUIDE TO LETTING &
MANAGING YOUR RENTAL PROPERTY**

ROB DIX

SAMPLE CHAPTERS

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Chapter 2

Making the property ship-shape

Whether you've just bought a property or are renting out somewhere that's previously been your home, there may well be some degree of work needed to bring it up to scratch before it can be let out. I don't pretend to be an expert on any labour heavier than tapping away on a keyboard, but in this section I'll cover some of the very basic points to consider when a refurb is needed.

If you do have a refurb coming up, you might want to consider becoming a member of LNPG – a “buying club” for landlords that allows individuals to get trade prices (and sometimes even lower) from major suppliers of kitchens, bathrooms, plumbing supplies and all sorts of other materials. I've had big savings on bathrooms and boilers in the past – and if you don't save enough to cover the annual fee, they'll roll your membership over to the next year. They've given me a code that gets you a discount of 10% on your membership, which I'll send you when you register your book at www.propertygeek.net/landlord

Pro tip: "My wife and I spent a night in one property before we let it out. A lot of little things – like the need for hooks on the backs of doors – aren't obvious until you spend a night in a property yourself. We also found that using the shower in the morning tripped the electrics – which only happened after a few minutes of use, so we wouldn't have known otherwise." –Gareth Broom

Finding a builder and getting quotes

A network of trusted contractors is one of a landlord's most valuable assets... but it's not something you're likely to have when starting out. If you've got a friend, family member or random Facebook acquaintance in the trades, I thoroughly recommend buying them a few boxes of Milk Tray and thanking them for their very thoughtful career choice. If not, now's the time to start auditioning people to take care of all those pre-tenancy jobs.

Personal recommendations will always be the best way to find the right person, so consider attending a few local property networking events: other landlords might be willing to share the highlights of their little black book with you.

Failing that, there's no need to resort to the Yellow Pages (if that even still exists). I like using websites where you can post your job and have interested tradespeople reply: MyBuilder.com, Checkatrade.com and RatedPeople.com are a few of the biggest. In addition to the massive upside that you don't have to make multiple phone calls (because tradespeople come to you instead), another big benefit is that tradespeople are rated on the

site by their past clients.

On balance, I'd still take a personal recommendation – but being able to see that somebody has reviews from 50 happy customers certainly gives me a good amount of confidence. Some reviews can be faked, but even the most enthusiastic self-promoter only has so many aunts and uncles to pad out their ratings.

However you find a potential tradesperson, make sure you do the following:

- Check that they hold appropriate professional indemnity insurance (they should be willing to show you their certificate without any grumbles or excuses).
- See if they belong to the appropriate trade body (which gives some confidence in their standards, and also – as we'll see in the next section – makes life easier with the local authority).
- Search for the company name and the name of the individual you've spoken to, to make sure nobody's complained about them or reviewed them poorly elsewhere. Do go beyond the first couple of pages of results, just in case they're a shoddy builder but great at online marketing.
- Speak to a couple of their previous clients, if the job is big enough to justify the time doing so.

Unless the job is tiny, it's always a good idea to get three quotes

– and you should make sure you’re clear on the exact scope of work that each job covers. If they’re also supplying the materials, you should also get them to clarify exactly what materials are being supplied. For example, if one quote for a new bathroom is twice the price of another, is that because they’re supplying a much more expensive suite – or do they just have a higher day rate? For anything where personal taste is a factor, dictating what materials should be used (whether you or they are sourcing them) is probably a good idea.

Don’t be afraid to ask for more clarity and specificity in the quote – so rather than just saying “replace bathroom”, it says what is being installed, what units there will be, what the floor covering will be, if any radiators will be replaced, and so on. It’s the only way you’ll be able to know that you’re going to get what you want, and be able to hold them to it if they don’t deliver.

You should also make sure you know when they’ll be able to start the work and how long they think it should take, and get this in writing. It’s no good finding a cheap quote then having to wait a month until they can start – meaning that by the time you’ve accounted for a month of lost rental income, it ends up being very expensive.

For big jobs, you ought to have a proper contract with clear specifications, dates, figures and provisions for when things go wrong. The Federation of Master Builders has put together a template, which you can just print off and fill in the blanks – I’ll send you a copy when you register your copy of this book at

www.propertygeek.net/landlord

Building regulations and planning approval

When doing any kind of work, it's important to know whether your plans will require approval in terms of building regulations, planning permission, or both.

Let's take building regulations first. They exist to make sure you adhere to safety standards when you want to:

- Put up a new building
- Extend or alter an existing one
- In the words of the government's planning portal, "Provide services and/or fittings in a building such as washing and sanitary facilities, hot water cylinders, foul water and rainwater drainage, replacement windows, and fuel burning appliances of any type"

The planning portal I just quoted from has a useful list of common projects that require building regulations approval: www.planningportal.gov.uk/permission/commonprojects

If you're using a tradesperson, it's their responsibility to get approval from the building regulations department of the local authority, and they'll also be the ones to face a fine if they don't. This still wouldn't be good for you, however, because as the owner of the building you could be ordered to undo or remedy

unapproved works at your own expense.

If the tradesperson is a “competent person” (meaning that they’re a member of a trade body scheme, like FENSA for windows or ECA for electricians), they can self-certify that their work meets buildings standards without having to invite in the local authority to inspect the job afterwards. They’ll issue you with a certificate stating that the work is compliant, which becomes very important when you come to sell or refinance the property: I’ve had a mortgage application held up in the past because I’d installed new windows and the fitter had forgotten to give me the certificate.

Doing the work yourself? Then it’s your responsibility to get approval before doing the works and have them signed off afterwards, so check the planning portal to see what you need to do.

Then there’s planning permission. In addition to building regulations approval, you might also need permission from the local authority for projects that involve a new construction, extension, or a change of use.

Some projects will fall under “permitted development”, meaning you don’t need to seek permission. Again, the government portal’s list of common projects (www.planningportal.gov.uk/permission/commonprojects) will tell you if the project meets the criteria for permitted development or whether you need to apply for planning permission.

Even if the project appears not to require planning permission, it's still a good idea to contact the local authority to check before going ahead: you might be restricted for various other reasons. For example, the property might be in a conservation area, or the local authority might have issued something called an Article 4 Direction – which means they've locally withdrawn certain permitted development rights that apply nationally.

Deciding on the spec

When it comes to deciding on exactly what a refurb should involve, there are two big mistakes that people tend to make again and again.

The first is installing fixtures and fittings that are far more expensive than they need to be. A “rental refurb” is very different from what you'd have in your own home, or a property you were hoping to sell for top dollar.

As a general rule, go for “sturdy” over “fancy”. Most people over-spec their first property by having the best of intentions about creating a great place to live – only to break out in a cold sweat when they discover a chip in their extremely expensive bath. You'll also find that nobody is going to pay a penny more in rent just because the carpet has fibres that were lovingly hand-twisted by Norwegian artisans – so don't scrimp, but don't over-spend on things that don't matter.

The key is to let the market dictate what the standard of the finish should be. You can get a sense of what your market

requires by looking at similar “let agreed” properties on Rightmove and seeing what they have in common, or asking other local landlords.

The other big mistake is imposing your personal taste on the property. Yes, your taste is utterly brilliant, of course, but this isn't about *your* taste: it's about providing the sort of decor that's been shown again and again to work in rental properties. That means clean, bright and functional – like white walls (perhaps with a feature wall), light brown carpets, and any furnishings you're providing being as neutral as possible too.

To be clear: your own house may well have been awarded “House Of The Year” on Grand Designs, and it may epitomise quality and class, but replicating it in your rental property won't do you any favours.

Beyond the general principles of not over-doing the spec and not imposing your own taste, what else should you be considering when deciding how to kit out a property for the rental market?

It's hard to say, because whenever landlords get together there are often surprisingly fractious debates about fixtures and fittings – and no one ever seems able to agree on the “best way” to do anything. This is often due to people forming opinions based on isolated bad experiences, but it's also because it's so dependent on your tenant demographic: what looks superb in one property might be not hard-wearing enough for another.

Nevertheless, after gathering opinions from over 50 different landlords, I've put together a list of recommendations that seem to have broad consensus...

Bathrooms

Shower trays are notoriously leaky, so a shower over a bath can lead to fewer problems. Even if there's a separate shower cubicle, having a shower attachment over the bath makes for a useful backup.

You might also want to consider an electric shower if you've got the choice: it means that even if the boiler isn't working, your tenants can still have hot showers.

Where possible, it could be worth putting in more than one bathroom – or an extra separate toilet if space is tight. It means that if one toilet breaks, there's still another to use – so the repair isn't an emergency as it would otherwise be.

Pro tip: "When you first buy a property, change anything that looks old or 'on the way out' – like power showers, central heating pumps that thump and make lots of noise, and radiators that have obviously leaked at the seams. It's much easier to fix these in advance with one contractor visit than to wait for something to go wrong and have to fix it under pressure." –Richard Springall

Kitchens

You've probably heard the old adage that kitchens and bathrooms sell properties. The same is true when it comes to renting,

but that doesn't mean you need to go all-out on granite work surfaces.

If you're inheriting an old kitchen, you don't necessarily have to rip it out and start again: it's possible that just replacing the cupboard doors will be enough to give the whole room a lift. If you *are* putting in a new kitchen, avoid integrated appliances unless the spec needs to be extremely high-end for your target demographic: they look better, but they're more difficult and expensive to repair when they go wrong.

Flooring

Don't blow the budget on flooring, because the chances of it being looked after with appropriate care are somewhere between "five lottery numbers" and "England World Cup win".

Good-quality laminate can be hard-wearing in high-traffic areas like hallways, and can also be suitable for the living room – especially if tenants eat in there. It will still collect scratches and scrapes, but these can be artfully disguised with a child's crayon (seriously) or fixed with a repair kit. The main drawback is that most laminate soaks up water and warps if it gets wet, so if tenants use a mop on it (or even just have a major spill), life might start getting bumpy.

Carpets are a tricky one because dark carpets don't tend to look great, but light carpets show every mark. Most people go for beige or cappuccino, but a darker grey can work too. Cheap carpet can be made to feel a lot better underfoot with a thick

underlay.

I'm all for tiling kitchen and bathroom floors: it looks best and is hard-wearing, and the odd broken tile can be replaced easily enough.

Laminate is a good choice too, but avoid anything too cheap: in bathrooms it will be affected by moisture, and in kitchens you'll need something thick so it doesn't rip when tenants drag out appliances to clean (or more likely, to retrieve their dropped iPhone) behind them.

Pro tip: "I always seal my floors in kitchens, bathrooms and wet areas – so if using laminate flooring, I'll silicone a 10–15mm bead all around the perimeter. It means that if someone uses a mop, there won't be any edge leakage into sub-floors or ceilings below. You can guarantee the tenant and cleaning services will be heavy-handed – so protect against it from the off where possible." – Adrian Bond

Walls

I'm a fan of painting straight onto the walls if the plaster is good enough: lining paper is a faff, and it can start lifting away from the wall after a few coats. A good plastering job upfront can save a lot of hassle later on.

If there's already wallpaper that you can paint over, that can be fine as long as your target market doesn't require the decoration to be absolutely perfect. Textured wallpaper is a whole other conversation: I can't stand it, but if it's not going to affect the

rentability of the property (or the amount you can charge), it doesn't seem worth the hassle and expense of replacing it. Plus if you hold onto the property long enough, it might even become fashionable again at some point.

In terms of colour, some variety of white or light grey will do the job – and if you use the same colour everywhere (and in every property, if you have more than one), touching up marks will be easy and you won't have to juggle multiple half-empty tins. Make sure you use the same brand each time too, as even colours with the same name can vary slightly between manufacturers.

You can also consider adding an accent wall – think grey rather than hot pink – in the living room, to dial down the sterile “beige box” vibe that rental properties sometimes have. Again, this can be the same in all properties to cut down on hassle when it comes to re-painting.

In kitchens and bathrooms, use water-resistant eggshell or acrylic paint: it will wipe clean if it gets splashed, and won't be affected by excess moisture.

Electrics

If you're going to be doing electrical work anyway, take the opportunity to make sure there are plenty of sockets and that they're in convenient places (at least one on each wall in every room): it's much safer than having your tenants move in and trail extension cables everywhere.

These days, almost every type of tenant will be juggling multiple mobile devices – so you could also consider adding USB plug sockets. It won't make or break anyone's decision about whether to rent the property, but it's a nice touch.

Safety

If you're going to be doing work to a new property anyway, it's worth installing hard-wired smoke detectors and carbon monoxide alarms while you're at it. You could also put a heat detector in the kitchen (where you wouldn't be able to fit a smoke detector, because steam from cooking would set it off).

As we'll see in the upcoming section on safety requirements, hard-wired detectors aren't mandatory and carbon monoxide alarms may not be either – but there's no reason not to make the property that bit safer anyway.

Also, fit handrails on any staircases that don't already have them. Not only is it safer, but insurers will often refuse to pay out on claims relating to falls if there isn't a handrail – so the small cost is worth it twice over.

Gardens

A nice garden can be a selling point for some types of tenant, but most aren't interested in keeping it tidy and it can quickly turn into a jungle.

You obviously can't remove a garden if there already is one, but you'll save yourself a lot of work if you pave as much of it as

possible.

If there's no off-street parking and it's possible to convert part of the front garden for this purpose, it's worth considering too: most tenants will favour convenience over aesthetics.

Overseeing the project

Depending on the size of the project and your own particular skill set, you might decide to manage the project yourself and hire in individual trades, or hire one main contractor who'll serve as project manager and sub-contract any jobs that they can't take on themselves. You could also bring in a dedicated project manager (who isn't also the main contractor), who will normally charge around 10% of the total works cost as their fee.

If you choose to manage a big project yourself, you'll need to have detailed knowledge of the construction process, as well as stellar communication and organisational skills. Being the project manager is a tough job, and – unless you have previous building experience – the thought of doing it probably scares the life out of you. There's a school of thought that says you should manage your first major job yourself, because you'll learn so much that it will stand you in good stead for all future projects (even if you choose to hire someone else to project manage in future). I understand the logic, but clearly it's not something I subscribe to myself.

Even if you recognise your limitations (whether that's time or experience) and put someone else in charge, remember: you're

still the boss. As with everything in life, the squeaky wheel gets the grease. The reality is that builders are usually juggling multiple jobs, and if you're not on top of them it's easy for your project to be the one that falls to the bottom of the pile. The jobs I've seen go the most wrong are the ones where the investor put someone in charge and expected to come back a couple of months later to a totally finished project. Instead, they tended to find that the builders had got as far as making everything a total mess, but stopped short of putting it back together again.

So, whatever the arrangement, make sure you're a constant presence. Be on the phone every day, and on site as often as you can. Don't get in the way or be prematurely aggressive, but do show through your actions that you're on top of things and will give them earache if things slip.

Overseeing the project also means keeping an eye on the time and the budget. Let's be real here: the likelihood is that your project *will* go over both. The solution is to make sure you've factored that in from the start.

In other words, if a job *absolutely must* be done in two months' time, agree with all involved that it needs to be done in a month. Even if everyone has the best of intentions and works as hard as possible, unexpected delays will always creep in. Whether it's weather, delays with materials or unexpected complications arising, I've yet to see a project of any size that runs exactly as you'd expect it to in an ideal world.

The same goes for the budget, because time and money are very

closely linked when it comes to building projects. To minimise the chances of the budget running out of control, agree on a fixed-price quote at the start and state the milestones at which payments will be made. This will also help to keep the project running on time, as they'll always have the incentive to get the next bit done to release the payment. Whatever you do, *don't* get comfortable and start paying instalments ahead of what has actually been done and approved: standards can start to slip at any point, however diligent your builder seems to be.

Even with a fixed-price quote, legitimate unexpected expenses will crop up that go beyond the agreed scope of the job – and that's why you should always mentally budget for a contingency fund. The level of financial contingency you set is up to you, but I suggest 20%. It's on the pessimistic end of the scale, but that's the point: the absolute worst thing that can happen is to run out of money before you can finish, so you need to be able to cope with any reasonable eventuality.

Pro tip: "Check and test everything before tenants move in. I've had a plasterer accidentally leave a bit of plaster in a new socket so you can't get the plug in; and a plumber who hasn't connected the pipework for the dishwasher properly, or has fitted the wrong low-pressure bath taps. Now I check everything as soon as any work is completed, and often find issues that you might not notice until a tenant moves in. I plug a lamp or similar into every socket, run any new electrical appliances, run all taps, fill the bath, run the shower, and turn all radiators on full. I even keep an old TV and Freeview box and test all aerial sockets." –Gary Brewin

Chapter 6

Where to advertise

If you were looking for a property to rent, where's the first place you'd look? Chances are you just thought "Rightmove" or "Zoopla" – because these are far and away the most popular channels, and therefore the best place for the majority of properties to be marketed.

But there are plenty of other channels too – some of which you might want to add into the mix, and some of which could well be *more* appropriate than the major online portals depending on the type of tenant you want to attract.

The major online portals

It's hardly going to be news that most people's searches for a home to rent now mostly start online – so if you decide to advertise in just once place, you'll probably get the most visibility on portals like Rightmove (www.rightmove.co.uk), Zoopla (www.zoopla.co.uk) and On The Market (www.onthemarket.com). (There are some situations when this isn't the case – and we'll explore those shortly.)

As a private landlord, you can't directly add your property to the main portals yourself, but there are a large number of "on-line agents" who'll do it on your behalf.

It's a fairly simple process: you usually just provide the online agent with all the necessary information about your property and pay in the region of £50 to £100, then they'll upload the details and photos to the portals and pass tenant enquiries on to you. There will usually be extra services you can add on for an additional fee – like referencing potential tenants, registering the deposit, drawing up the tenancy agreement, and so on.

There are plenty of online agents to choose from, but if you want my recommendation just register your copy of the book at www.propertygeek.net/landlord

It should go without saying (but clearly doesn't) that your advert needs to be persuasive and effective in order to stand out from the competition on the listings page and actually get viewed – which we'll talk about in the next chapter.

Gumtree

An online resource you *can* upload to directly (although the online agents we just discussed often include it in their service too) is Gumtree (www.gumtree.com) – which currently costs around £25. Gumtree is extremely popular in certain areas (London in particular) and a complete ghost town in others, so – depending on the location of your property – it may or may not

be worth your while.

If you decide to give it a go, prepare for some interesting experiences and new insights into the nature of humanity at large. I've no idea why this particularly happens on Gumtree, but applicants who come via the site tend to be (to put it charitably) a mixed bag – so you'll have to invest some time weeding out the nutters, scammers and time-wasters from the few remaining people who you might actually want to occupy your property.

As a general, potentially-offensive-but-nevertheless-accurate rule, Gumtree tends to be more popular with the lower end of the market – both in terms of tenants and quality of properties – so it could be a tool worth using depending on your property and its location, but be aware of its limitations.

Facebook groups

Most towns in the UK have at least one Facebook group for people who are looking for property to rent – just enter the name of the area and a keyword like “rent” into the Facebook search box and you should find relevant groups popping up.

Much like Gumtree, you have nothing to lose except your time... but those time costs can be significant, because (also much like Gumtree) the quality of applicants who are looking for housing on Facebook tends to be more variable than those who are using Rightmove or Zoopla. These groups are particularly popular with tenants on benefits, because they might not be in a position to provide references or pass credit checks and

they know that individual landlords are more likely to be flexible than letting agents.

If you do go down the Facebook route, make sure you use the process I outline in a future chapter to minimise the amount of time you spend dealing with applications and viewings.

DSSmove

DSSmove (www.dssmove.co.uk) is “Rightmove for tenants on housing benefit” – with the exceptions that it’s free and you *can* add properties directly to DSSmove as a private landlord. If your property type and location are most suited to this sector of the market, it’s well worth a try.

Spareroom

If you want to rent out properties by the room, try Spareroom (www.spareroom.co.uk): it generates the most consistent results for people I know who pursue this strategy. It’s free but has the opportunity to pay for greater exposure.

University accommodation offices

If you’re planning to rent out your property to students, it’s worth speaking to the local student accommodation office: they’ll usually have their own portal, local advertising and events through which your property can be marketed. Often you’ll need to become an “accredited landlord” with the university in order to have them promote your property, which

usually involves signing up to some kind of code of practice.

The local paper

As I said at the outset, the channels you use will depend on the demographics of your target tenants. So while the local paper (or indeed other forms of offline marketing like cards in newsagents' windows) might seem outdated, they can be worthwhile if you're trying to appeal to certain sectors of the market – like tenants who are older, or are less likely to have internet access.

Friends and recommendations

If you can have a tenant recommended to you and save yourself the bother of advertising, fantastic – but you *absolutely should not* relax your standards just because they're a friend or you have a friend in common. In fact, I'd be even more diligent about correctly setting up and managing this kind of tenancy, because they might be more likely to take advantage and feel like they could get away with it.

I hope this section has shown you that there are many options for finding tenants – all of which are free or inexpensive – and if your property is in a desirable location and accurately priced (which we'll come to shortly) you won't struggle to find people who are interested in renting from you. So while a recommendation can be a useful thing, don't feel like you need to go with someone you know because you're worried about not being able to find anyone else (because you will) or because you're not confident about “formally” setting up a tenancy (because you

still should).

Personally, I wouldn't rent a property to a friend or even a friend-of-a-friend because I like to maintain a separation and not have emotion come into the equation. That doesn't mean you shouldn't – just don't let your guard down.

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