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Magpie Property Management Limited

Magpie Property Management Limited is a professional letting agent with offices in St Neots. Our coverage area would normally constitute towns and villages north to Wittering, south to Biggleswade and within a 15 miles radius east and west of St Neots. We specialise in a vast range of good quality homes ranging from studios to large executive properties. Our office hours are Monday to Friday 9.00 am to 4.00 pm, Saturday 9.00 am to 1.00 pm.

Magpie Property Management Limited offers either a tenant finding service or full management service which looks after the day to day running of your property, full details and fees to be found later in this brochure. We have a database of waiting tenants who we contact as soon as a suitable property becomes available. Immediately after you trust your property to us, we will be calling out to all tenants that we match your property to. Magpie Property Management Limited are constantly increasing our property portfolio and will continue to do so. We hope that all relevant information that you may need is included in this brochure, but if there is something we have not covered, please don't hesitate to give us a call, we will always be pleased to help.

The Association of Residential Letting Agents (ARLA)

Magpie Property Management are members within The Association of Residential Letting Agents (ARLA). ARLA is the only professional body that is solely concerned with the self-regulation of letting agents and for over 25 years has been actively promoting the highest standards across every aspect of residential lettings and management in the Private Rented Sector. ARLA is viewed by government, consumer groups, academia, think tanks and the media as the leading voice in the industry. ARLA members are seen as being at the forefront of the Private Rented Sector, ready, willing and able to comply with existing and anticipated government legislation. ARLA leads the industry in setting and regulating the highest standards in the industry and demands certain levels of professionalism and commitment to customer service from its membership. ARLA members are required to work within a robust Code of Practice, which covers the key stages in letting and managing a property. There are comprehensive membership Byelaws which include compliance with such issues as handling and accounting for Clients' money; the mandatory ARLA Client Money Protection Bonding Scheme; Professional Indemnity Insurance; Dealing with Complaints and Disciplinary Procedures.

Benefits of Letting Your Property

There may be lots of reasons why you would consider letting your property, but whether you are an investor, a landlord or a private individual, letting a property is a serious business. History shows that over a period of time, letting your property is one of the safest investments, which will not only provide a good income but should also provide a substantial capital gain. Whatever your reason for letting, the private rental sector is currently extremely attractive. Recent legislative changes have removed many of the uncertainties associated with letting. Financial returns from letting have also improved with the ability to offset most costs associated with letting against rental income for tax purposes. Letting your property can provide both income and capital growth. We trust that you will find this guide informative and helpful.

Valuation of your Property

Magpie Property Management Limited provides a free, no obligation valuation of your property. The assessment will be carried out by an experienced member of staff and during the assessment you will have the opportunity to discuss anything you feel may be relevant to the letting of your property. A number of factors need to be considered when advising a landlord on how they should best proceed with their letting. Location, condition and the size of the property, standard of contents and fittings provided and prevailing market forces are all factors which need to be taken into account. If you wish to let your property furnished, a high standard and presentation of furnishings would maximize the rent achievable.

Marketing your Property

Immediately you advise us that your property is ready for letting and we have received instruction from yourself, Magpie Property Management Limited will erect a 'To Let' board with your approval. This will provide 24-hour advertising of your property and attract more potential clients. We will advertise it in the local papers and call prospective tenants from our database who may be interested in your particular property.

Your property will be featured on our availability list, complete with a photograph and a small description of your property. This list is sent to various establishments on a weekly basis to include the MOD, Colleges, relocation companies, etc.

We believe the Internet is now one of the most powerful marketing tools and can potentially attract a wide range of prospective tenants from around the country and even further afield. Because of this we invest heavily in the Internet and your property will be uploaded to 26 web-sites, the most popular ones being www.rightmove.co.uk, www.magpieproperty.co.uk, www.zoopla.co.uk. We endeavour to have your property live on these sites within 24 hours of receiving your instruction.

All suitable tenants who wish to view your property will be accompanied by a member of our team.

Furnished or Unfurnished

What condition you leave your property in is always a big decision. In our experience unfurnished is usually most popular. However, if you do decide to leave furniture, this will have to meet all of the current regulations; further information can be found later in this brochure under 'Soft Furnishings – Fire Regulations'.

All properties should usually include carpets and curtains. Furnished properties should also include the furniture found in most homes, sofas, table & chairs, beds, cooker and fridge, kitchen crockery, cooking utensils and cutlery.

The better the presentation and quality of the property and furnishings, the better the monthly rental achievable. A good motto is to treat others as you would wish to be treated. Linen and towels are not normally included in a fully furnished property, and we would advise against leaving a television, video, hi-fi equipment etc., other than in executive lets.

Inventory & Schedule of Conditions

Prior to the commencement of any tenancy, we will complete a detailed Inventory and Schedule of Conditions. This document will cover the condition of all fixtures, fittings and decoration and also furniture if applicable. Carpets and curtains can be expensive to replace and unless the conditions of these soft furnishings are properly documented, you will be unable to claim compensation for any damage or loss at the end of the tenancy.

The Inventory is then used to check out the tenant at the end of the term. Tenants are obliged to leave the property as they have found it, and should any decisions over condition or damage need to be made, the Inventory will be used to make these. Please note that we are not able to check the working of any electrical appliances and would require that the landlord or tenant advise us of any problems.

Tips on Presentation

- Neutral décor
- De-clutter
- Professional clean to include carpets is recommended
- Gardens to be tidy

Tenant Selection & Referencing

Suitable tenants for your property will be selected from our database and from advertising. Relevant references will be taken up on every individual tenant who is to be named in the tenancy agreement; this will include everyone over the age of 18 who intends to reside at the property. If it is considered necessary, a Guarantor will be requested to further protect you.

To ensure this process is carried out as objectively and thoroughly as possible we use an independent professional referencing company. A report is then generated by the credit referencing company and will be actioned on the basis that the conclusion deems the applicant to be a suitable tenant and acceptable to underwriters for legal and rent protection policies. This process includes full referencing and, providing they can be obtained, various financial references such as current and previous employment references and current landlord references, we also carry out a right to rent check on all tenants. We do offer a Rent Guarantee scheme through Right Move and further details can be found later in this brochure.

We will endeavor at all times to select the best tenant for your property and if we have any doubts at all then we will not house the tenant. It is not always the case that the first applicant is the one that will be accepted. It should be remembered however that whatever references are taken does not guarantee the future behaviour of any tenant and Magpie Property Management Limited cannot be held responsible for any loss or damage to the property from any such tenants.

The Tenancy Agreement

We believe the most secure type of tenancy agreement is the Assured Shorthold Tenancy as the landlord has available mandatory grounds for possession at the end of a given period. This has substantially reduced the tenants secure of tenure from those previously enjoyed under the 1977 Rent Acts. Under this type of tenancy, the minimum initial period of rental would be six months. The maximum period we would advise at any one time is twelve months.

As part of our service to you we will prepare the Tenancy Agreement. The Tenancy Agreement details the areas of responsibility between you, your tenant and us as your agent, advising all parties who is liable for what in connection with the property. The Tenancy Agreement also clarifies what can or cannot be done to the property, i.e., who is liable for repairs or damages, maintenance and utility charges.

The signing of a Tenancy Agreement is not sufficient in itself to regain possession of your property, and we will prepare various Housing Act notices which must also be served in conjunction with the agreement. The execution of any such documents, both initially and on any renewals, is all part of the service we provide on your behalf, including signing these documents for you as the agent of the landlord.

Security Deposit

We will, prior to the tenant taking occupancy, collect a security deposit equivalent to five week's rent. This deposit is held in a Government Protected Tenancy Deposit Scheme as a safeguard. At the end of the tenancy, subject to the final inspection, the deposit less any deductions is returned to the tenant.

With any rented property there has to be allowances for tenants living in the property and we would not normally make deductions for what we consider to be fair wear and tear. To assist us with any disputes we are a member of Mydeposits. The scheme has been introduced to ensure that tenancy deposits are securely held and that disputes about their return are resolved quickly, cheaply and fairly.

Inspections

Depending on the service that you select, we will carry out inspections on your property within the 1st six to eight weeks of tenancy, and then every four to six months thereafter. We will then provide you with a written report of our findings. If we are unhappy with an inspection, we will arrange a re-inspection shortly after.

From experience we have found that if a tenant understands that the property and their occupancy of it is being closely monitored, then they are more likely to maintain a higher standard of care in the property.

Please note that a routine inspection comprises only of a brief visit to ensure that there are no serious problems with the property. Any maintenance of a non-urgent nature that is found will be pointed out to the landlord.

The tenancy agreement advises the tenant that we have the right to visit the property at times acceptable to the tenant, provided reasonable notice has been given. If you want to visit the property yourself during the tenancy, we will arrange this for you, but again the tenant is entitled to prior notice.

Keys

We require a minimum of 2 full sets of keys for your property. One of these is for Magpie Property Management Limited and the other for the tenant. An additional front door and back door key may be required if there are two or more tenants.

Gardens

Prior to the tenant taking up occupancy, arrangements should be made for the garden to be in good order. Magpie Property Management Limited has a database of contractors that we can instruct on your behalf to carry out any necessary work.

Under normal circumstances tenants are responsible for the upkeep of the garden and you should provide sufficient gardening tools and a mower for their use, these items will of course be included in the Inventory. You may of course arrange for a regular gardener during the tenancy and reflect this cost in the rental charged.

Maintenance & Repairs

Under Sections 11 to 14 of the Landlord and Tenant Act 1985 certain repair obligations are imposed upon the landlord. Where the tenancy granted is for a period of 7 years or less the landlord is responsible for repair and in the case of (b) and (c) to keep in proper order:-

- (a) The structure and exterior of the premises and any other part of the building in which the landlord has an interest, including drains, gutters and external pipes.
- (b) The installations for a supply of water, gas and electricity and for sanitation including basins, sinks, baths and sanitary conveniences but not other fixtures, fittings and appliances for using water, gas or electricity.
- (c) The installations for space heating and heating water.

The landlord's responsibility will be waived where the tenants misuse or negligence can be proven.

Repairs will always be necessary to each and every property throughout the length of the tenancy and landlords must be prepared for this eventuality plus of course repair and/or replacement of major electrical items such as cookers, washing machines, fridges, freezers and boilers as they age. On your behalf we will make arrangements, with our local contractors or contractors of your choice to carry out any such works. We will agree in advance the level of responsibility you wish us to have regarding arranging repairs and replacements and then proceed accordingly, without further reference to you, or as discussed and agreed. Some landlords are prepared to accept responsibility themselves for such matters once they have been reported to them by us, and we find this perfectly acceptable.

Where there is an emergency repair, i.e., a burst pipe or a gas leak, different legal obligations apply to all parties and we may well need to instruct on the work immediately to prevent any further damage to the property or health and safety risk to the tenants. In such circumstances we may need to act first and then report to you, and common sense has much to do with such decisions. We do make clear to the tenants that only in the most extreme of circumstances should they consider instructing their own contractor and that should they do so they may be found liable for the full costs. Major repairs will, of course, be discussed with you first, estimates obtained for your approval and the subsequent works supervised by us and reported to you as necessary.

Annual Rent Review

We carry out an annual rent review for all managed properties to ensure the rent remains in line with current market conditions. This involves assessing comparable local properties, demand levels, and the condition of your property. We then provide you with clear advice and recommendations, ensuring any adjustments are fair, competitive, and compliant with current legislation.

Mortgage Lenders Consent

If you have a mortgage on your property, you must obtain the written permission of the Mortgage Lender prior to letting. Some Lenders charge an administration fee and raise the interest rate; they may also wish to insert certain clauses into the contract which we will be happy to accommodate. Should your property be leasehold it is your responsibility to ensure that the lease allows for sub-letting.

Tax Liability

Income from a rented property is taxable and we advise you to contact your local Tax Office prior to letting your home to clarify your position. Tax is payable on your net income (gross income less allowable expenses incurred in letting the property).

Examples of some of these allowable expenses are:

- Building and insurance premiums
- Maintenance and repair
- Mortgage interest
- Accountants fees
- Gardening bills
- Property wear and tear allowance
- Redecoration
- Agents fees and commissions

Overseas Clients (not paid via UK)

Persons living and working overseas (including members of the armed forces) are still subject to tax on rental income which is treated as unearned income at the basic rate of tax. There are some additional obligations under the Taxes and Management Act 1970 on the part of the Letting Agent with respect to overseas landlords which you should be aware of. We are required to withhold a proportion of rental income (equivalent to the basic rate of tax) and pay this directly to the Inland Revenue unless we receive specific written exemption from the Inland Revenue not to do so. We can provide you with the appropriate documentation to apply to the Inland Revenue for this exemption, thus allowing us to pay you rent without deduction of tax. The granting of exemption to withholding tax is at the discretion of the Inland Revenue and is likely to be withdrawn if you are subsequently delinquent in making the appropriate tax returns.

Please note that this information is intended for guidance only and to ensure that you minimise any tax payment we would recommend that you use an Accountant.

Important information on Legal Requirements

There are 5 legislations that are mandatory when letting out your property.

GAS SAFETY (INSTALLATION AND USE) REGULATION 1994

- All gas appliances such as cookers & boilers in rented accommodation must be certified every year by a Gas Safe Registered Installer. These regulations are enforced by the Health and Safety Executive. For further information on these regulations please ring the free HSE Gas Safety Advice Line on 0800 300363.
- **Failure to comply may constitute a criminal offence under the Consumer Protection Act 1987, which carries a maximum fine of £5000.00 and/or a 6-month imprisonment sentence.**

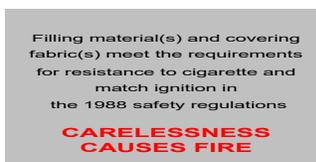
ENERGY PERFORMANCE CERTIFICATE REQUIREMENTS FOR LANDLORDS

- From 1st October 2008 any property that is owned by a landlord and is part of their rental property portfolio will be subject to energy assessment to establish the performance of the building in a similar way to a residential domestic property.
- Certificates must be available to any prospective tenants; there is no need to obtain a new certificate for an existing tenancy. Once obtained a certificate remains valid for up to 10 years.

FURNITURE AND FURNISHINGS (FIRE) (SAFETY) REGULATIONS 1988

- All upholstered furniture must comply with the furniture and furnishings regulation 1988. Upholstered or even part upholstered furniture is covered by regulations including beds, mattresses, headboards, pillows, cushions, seat pads and garden furniture that may be used inside of the property. Bedclothes, carpets, curtains and furniture pre 1950 are exempt from this regulation.
- Please find below the label which needs to be displayed, or a receipt to be stored on file to prove the item was purchased after 1988.

DISPLAY LABEL



ELECTRICAL SAFETY STANDARDS IN THE PRIVATE RENTED SECTOR (ENGLAND) REGULATIONS 2020

- Electrical installation inspections and testing must be carried out for all new tenancies in England from 1 July 2020 or from 1 April 2021 for existing tenancies.
- The Regulations require landlords to ensure that every fixed electrical installation is inspected and tested at least every five years by a qualified person.
- The landlord is required to obtain a report which gives the results of the inspection and test, supply that report to each tenant within 28 days and retain a copy until the next inspection is due.
- Upon request the report must be provided to the local housing authority within 7 days.
- The private landlord must supply a copy of the last report to any new tenant before occupation, or any prospective tenant within 28 days of a request from the prospective tenant.
- The Regulations require local housing authorities to enforce the rules and have the power to arrange remedial action.
- Proven breaches of the regulations can result in the local housing authority imposing a financial penalty of up to £30,000.

SMOKE ALARMS AND CARBON MONOXIDE ALARMS

The Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022 state that all rented properties must provide a carbon monoxide alarm in rooms where there is any type of fixed combustion application, such as gas boilers. Previously this requirement only applied to solid fuel combustion appliances, such as wood burners, however, they have not been extended to gas cookers. A smoke alarm must also be fitted on every floor of a rented property where there is a room used wholly or partly as living accommodation. From 1 October 2022 when a tenant (or a tenant's nominated representative) reports that an alarm may not be in proper working order and is found not to be, the alarm must be repaired or replaced as soon as reasonably practicable. The Regulations only oblige landlords to check that alarms are in working order on the first day of a new tenancy. However, alarms should be tested before a tenancy commences to avoid any impact.

Water Meters

Legislation came into force with effect from 1st April 2000 under the Water Industry Act 1999 that tenants who are renting for a period of six months or more are entitled to have a water meter fitted without the consent of the landlord, even if the landlord was to forbid this change. Once the meter has been fitted at the property and has been used by the tenant for a period of 12 months or more, then after this time, it will not be possible for the water meter to be reverted back to mains supply.

Domestic Services

Utility companies (gas, electricity, water etc.) should be advised if the property is empty to enable meters to be read and final accounts prepared. This is necessary even if only for a relatively short period of time. Magpie Property Management Limited will undertake to do this in our full management service. During these ' void ' periods the utility services will be transferred back into your name. The tenant is responsible for the gas, electricity and water/sewerage bills generated by their usage during the tenancy, including standing charges, but their liabilities in this respect finish on the date of their vacation.

If the property has oil heating, we ask that you do not leave the tank holding too much oil as the deposit held may not be sufficient to refill the tank if it is left empty by the tenant.

Telephone

In our experience, telephone companies will not deal with third parties, therefore you must inform British Telecom (or any other service provider as appropriate) that you are vacating the property. The tenants are responsible for arranging any line reconnections and meeting any costs associated with this. The Tenancy Agreement will forbid tenants from changing an existing number without your consent or taking it with them at the end of the tenancy.

Council Tax

Liability for Council Tax will remain the responsibility of the tenants whilst residing at the property providing the entire property is let. When a property is unoccupied full Council Tax becomes payable. If you reside at the property whilst acting as a landlord then you will remain responsible for the Council Tax charge. We will inform the Council Tax office of every change in occupancy.

Mail

We recommend that you ask the Post Office to re-direct your mail. You may apply for this service by telephoning Royal Mail.

Buildings & Contents Insurance

As the landlord, you are responsible for the building's insurance during the tenancy. The tenants are responsible for arranging insurance cover on their own personal belongings. You must ensure that you inform your insurance company that you are renting out your property. Magpie Property Management Limited can arrange insurance for you through Right Move Landlords Household Insurance. This is a comprehensive policy specifically designed for landlords letting their property either furnished, part furnished or unfurnished. Please let us know if you require further information on this matter.

Rent & Payment Procedure

Payments from tenants are made direct to the office, normally by Standing Order, on the first working day of every month. This will be paid to you by Bank Transfer into your nominated account. You will receive a statement detailing income and expenditure which will include a breakdown of VAT, commission and all repairs that may need to be deducted from the rental income at the same time as the money is paid into your account.

Monthly Management Statements

Statements detailing income and expenditure will be issued to you on a monthly basis. These will include a breakdown of VAT; commission and all repairs that may need to be deducted from the rental income.

Property Handover

When we hand back the Property to you, please note that we are unable to apply for the reconnection of services on your behalf. You will need to contact the appropriate companies directly. Please note that neither Magpie Property Management Limited nor the tenant have a legal responsibility to ensure the telephone line is active when the landlord returns. As mentioned earlier, telephone companies will not deal with a third party.

Sale of the Property

If, during the term of the tenancy, you sell the property to the tenant, Magpie Property Management Limited will charge an introduction commission fee of 1% plus VAT on the contractual price upon exchange of contracts. This fee is payable upon completion.

RIGHT MOVE RENT GUARANTEE AND LEGAL EXPENSES

Magpie Property Management Limited can provide rent guarantee and legal expenses for the term of the contract

Rent Guarantee offers you the following

- Specialist in-house Legal and Claims team to ensure your claim is paid promptly
- All legal costs incurred in evicting the tenant as a result of non-payment of the rent
- No restriction on tenant type
- Renewable cover
- Excess equivalent to one month's rent

Fees

Full Management Service

- Full Management is a service that is provided to the landlord by Magpie Property Management Limited.
- The landlord will provide Magpie Property Management Limited with authorisation to act on their behalf.

Charges for Full Management service are as follows: -

- 11% plus VAT of the gross rental income per calendar month to include rent and legal expenses*
 - 9% plus VAT of the gross rental income per calendar month without rent insurance*
 - £300.00 plus VAT Landlords Agency Fee – initial set up costs*
 - £150.00 plus VAT for 2nd Agency Fee – for finding a new tenant/s
 - £30.00 plus VAT for annual rent review
 - £30.00 plus VAT for Government Protected Tenancy Deposit Scheme*
 - £100.00 plus VAT Check Out Fee
- * deducted first month

Full Management Includes: -

- Marketing of the property via the office, Magpie Property Management website, Rightmove & Zoopla and Magpie Property Management social media
- Arranging references, Assured Shorthold Tenancy Agreement and an Inventory
- Receiving a deposit (equivalent to a month and a half rent)
- Demand rent and upon receipt, payment to the landlords account
- Moving in of the tenant
- Routine inspections carried out approximately every quarter
- Day to Day enquiries from both the landlord and tenant, such as maintenance requirements

Tenant Finding Service

- This service is designed for landlords who have decided to manage their own property once a suitable tenant has been found.

Charges for Tenant Finding Service are as follows: -

- 60% of the first month's rent plus VAT (minimum fee of £300.00 plus VAT)
- £300.00 plus VAT Landlords Agency Fee – initial set up costs & £150 plus VAT re-let costs after 1st let
- These charges make a one-off payment, which will be deducted from the first month's rent upon occupation.
- A security deposit is received from the tenant/s and will be paid directly to the landlord, please note with effect from 6th April 2007, any deposit must be held in Government protected Tenancy Deposit Scheme, for more information please log onto www.communities.gov.uk/tenancydeposit or 020 7944 4400

Tenant Finding Service includes: -

- Marketing of the property via the office, Magpie Property Management website, Rightmove & Zoopla and Magpie Property Management social media
- Arranging references, Assured Shorthold Tenancy Agreement and an Inventory
- Receiving first month's rent and a deposit (equivalent to a month and a half rent).

Property Requirements

Please find below a checklist that we hope you will find useful, detailing some of the things that you will need to do prior to vacating your property: -

- Read, sign and return Magpie Property Management Limited Terms of Business, ensuring that you have completed all your personal and bank details
- Ensure that you have provided Magpie Property Management Limited with sufficient sets of keys, i.e., if there are two tenants, please provide us with 3 sets
- Ensure that the following has been completed: -
 - ❑ Clean property
 - ❑ Tidy gardens
 - ❑ Empty all bins
 - ❑ Windows are cleaned
 - ❑ All kitchen appliances have been cleaned
 - ❑ Remove all rubbish and any items that are not agreed with the let from the property

If you would prefer, we can provide you with contractor's details, or can arrange the above on your behalf

- Arrange mail redirection
- Inform utility suppliers such as electric, gas, water, telephone companies of your moving date
- Advise local Council Tax office
- Inform mortgage company if applicable
- Inform us of all contact details for yourself, i.e., address, telephone numbers and an emergency contact
- Provide us with any contract arrangements that you may have with suppliers/companies i.e., for gas, boilers, etc
- Provide us with any manuals that you may have for appliances, boiler, etc.
- Should you be a non-resident landlord, then you will need to complete a non-residents landlords exemption certificate (NRL1)
- Should your property supply gas, then a landlords Gas Safety Certificate will need to be arranged, we have **Gas Safe** Registered Plumbers who can do this for you – please advise