



# GUIDE FOR LANDLORDS



## WHY CHOOSE US?

Greenwood and Company are a private family run letting agent in Farnham, specialising in the Letting and Management of residential properties. Established in February 1991, we have successfully facilitated the letting of thousands of properties and our profound expertise in the lettings industry over the last three decades is a testament to our long-standing presence and outstanding reputation. Over the years, we have evolved into one of the largest independent Letting Agents in Surrey and Hampshire, reflecting our commitment to excellence and expansive growth. Our experienced team are dedicated to providing exceptional levels of service, combining traditional methods with the latest innovations to consistently deliver results and maximise value for our clients.

As proud members of The Property Ombudsman and SafeAgent we adhere to its code of practice and are backed by the protection of client money through the government approved SafeAgent scheme. Additionally, our affiliation with The Property Ombudsman further solidifies our dedication to ethical Practices.

Our extensive advertising campaigns and online presence, including our popular website [www.greenwood-property.co.uk](http://www.greenwood-property.co.uk) and Rightmove, consistently attracts a stream of waiting tenants. Our let lists are distributed to corporate clients and relocation agents ensuring widespread global marketing for all listed properties.



## **MARKETING**

When entrusted with letting a property the process begins with an inspection by one of the Partners, particulars are taken and advice is given on rentals, the latest legislation, and our services. We carefully prepare detailed property listings, which are then shared with thoroughly vetted applicants. These listings are featured on our website and uploaded to Rightmove, a prominent online property platform, as well as various social media channels. Additionally, our substantial investment in internet search engine optimisation ensures that our listings consistently appear on the first pages of major search engines like Google. This strategic approach maximises the visibility of our properties, reaching a wide audience and enhancing the chances of attracting suitable tenants.

We personally guide applicants through property viewings, typically arranged by prior appointment, especially if the property is currently occupied. This practice prioritises the safety and security of the property and its occupants while providing a professional and supervised viewing experience for potential tenants.

Our aim is to find you the best tenant possible, our selection process is rigorous, and we have our own criteria applicants must pass before a viewing is arranged with a member of our team. We will discuss all offers received directly with our landlords, ensuring that both parties agree on the terms before an offer is accepted.

## **REFERENCING**

Comprehensive references are conducted for all potential tenants aged 18 and above including credit checks, financial background assessments, scrutiny of public records, verification of previous addresses, employment verification, and where applicable previous landlord references. Our referencing procedure is rigorously adhered to, and in cases of uncertainty, the applicant is either declined or the matter is brought to your attention for consideration. Additionally, we conduct the necessary Right To Rent checks on all potential tenants as mandatory. For managed properties, and where applicable we perform follow-up checks to ensure that tenants still possess the right to rent if there was a time limit on their permission to stay at the commencement of the tenancy.

## **TENANCY AGREEMENTS**

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Upon obtaining satisfactory references, the APT Tenancy Agreement is meticulously prepared and ready for signature. All Tenancy Agreements default to being an Assured Residential Periodic Tenancy unless otherwise specified. The agreements utilised follow a standard format approved by The Lettings Centre and endorsed by RightMove, the RICS, and the Law Society.

## **COMPLETION INVOICE AND DEPOSIT**

The prospective tenant is required to submit a holding deposit equivalent to 1 week's rent upon the acceptance of their offer to secure the property. Prior to the commencement of the tenancy and before the release of any keys, tenants must settle the balance of the first month's rent and a security deposit equivalent to five weeks' rent. Holding a deposit is considered an offense unless the entity is a member of an insurance-based or custodial scheme. Greenwood and Company adhere to the TDS (Tenancy Deposit Scheme), an insurance-based scheme designed primarily for letting agents. Further details about the scheme can be found at [www.tenancydepositscheme.com](http://www.tenancydepositscheme.com).

## **CHECK IN AND INVENTORY**

Before the start of the tenancy, a Check-In and Inventory are prepared by an Independent Inventory Clerk. This comprehensive document details not only the contents and decorations but also their condition, serving as a crucial element of the letting process. It is essential to acknowledge that the property is subject to a 'Fair Wear and Tear' clause, experiencing the normal wear and tear associated with everyday living. Emphasising the importance of removing non-replaceable items, it's crucial to understand that a property may not be in the same condition at the end of the letting as it was at the beginning. Internal decorations, for instance, may require attention after two or three years of tenant occupation. Notably, the full replacement cost of defective items cannot be entirely charged to the tenant, considering varying lengths of usage. The landlord holds the responsibility to ensure that all items included in the letting are maintained, and unless specified otherwise, they are accountable for any repairs, maintenance, or replacements of aging equipment/appliances.

## **CHECK OUT**

At the end of the tenancy an Independent Inventory Clerk will conduct a thorough check of the property and its contents, referencing to the original Check-In, Inventory, and Schedule of Condition. The collection of all keys to the property will be supervised, and a detailed Check-Out report will be generated. A schedule of dilapidation will be formulated and costed, highlighting any expenses related to cleaning and repairs (excluding fair wear and tear). Tenant costs will be specified on the report, and an agreed upon amount will be deducted from the tenant's deposit, adhering to the regulations of the tenancy deposit scheme. In cases where an agreement on dilapidations cannot be reached, both parties have the option to dispute the matter through the Tenancy Deposit Scheme (TDS). The TDS will appoint an impartial adjudicator to make a final binding decision based on the evidence

presented. Additional information about the TDS is available in the "What is the Tenancy Deposit Scheme" section. Greenwood and Company will inform utility companies of the end of the tenancy, providing them with meter readings from the Check-Out Report and forwarding any relevant addresses.

## **OUR FULLY MANAGED SERVICE**

If you choose Greenwood and Company for full property management, we will handle the entire tenancy process on your behalf. This includes routine property inspections every three months or more frequently if issues arise. After each inspection, we will provide a detailed report on our findings, any maintenance needs, and any concerns.

We inspect the landlord's balances monthly, transferring the balance (minus outstanding bills, fees, and potential tax liabilities) to the landlord along with a comprehensive income and expenditure statement. Maintenance and repair expenditure up to a predetermined amount specified in your agreement will be approved by us, and any excess will be referred to you unless it results from a home emergency.

### **Key points to note:**

- Our management operates only during the property's tenancy period, unless otherwise arranged.
- We will not pay outgoings exceeding available rents without your approval, we may request a float if a tenant has made rental payments in advance however we will rely on incoming rent to cover any outgoings.
- While we will scrutinize suppliers' invoices for obvious errors, we will process bills on your behalf that appear correct unless otherwise agreed.

At the end of the tenancy we will manage the deposit return, negotiating any deductions with tenants and ensuring the remaining balance is returned. If an agreement isn't reached, and the deposit is referred to the TDS (Tenancy Deposit Scheme), we handle the Claim Submission and Defence on your behalf, associated costs are detailed in our fee schedule.

## **COMPLIANCE**

For all new lettings, it is mandatory to provide tenants with the following documentation. Tenants are required to confirm receipt of these documents upon signing the APT Tenancy Agreement. Greenwood and Company will ensure that tenants receive:

- The latest government prescribed tenancy information documentation
- Electrical Installation Condition Report for the property
- Energy Performance Certificate
- A copy of the Gas Safety Record
- An explanatory leaflet from The Dispute Service related to the Tenancy Deposit Scheme
- Any rules and regulations for the development that are within our knowledge



## RENT GUARANTEE AND LEGAL PROTECTION

Prior to finalising a tenancy agreement, all applicants undergo a meticulous screening process to assess their suitability as tenants and evaluate their capability to meet the stipulations of the Tenancy Agreement. Despite this thorough vetting, unforeseen events in the future may disrupt a tenant's circumstances, resulting in potential challenges. Unanticipated difficulties such as illness or redundancy can lead to situations where tenants struggle to meet their rental obligations.

To ensure peace of mind and alleviate these potential issues, we offer our Premium Full Management Service, which includes Rightmove Enhanced Rent Guarantee and Legal Protection. Our dedicated staff are available to provide additional details upon request, offering an extra layer of reinsurance for landlords seeking comprehensive coverage and security in managing their rental properties.

Rightmove Enhanced Rent Guarantee and Legal Protection covers the following:

- Indefinite cover – rent paid in full until vacant possession is obtained (up to £8,000 per month)
- 100% rent cover for the first month after possession if re-letting is delayed due to damage (75% in month two and 50% in month three)
- Up to £100,000 cover per claim, including all eviction-related costs
- Legal costs and expenses covered
- Market-leading mediation service included
- Cover for the first month's rent (as tenancies are now executed before rent is paid)
- Earlier unpaid rent payments where the tenant remains in situ at claim notification  
*(All subject to terms and conditions)*

## LEASEHOLD PROPERTIES

Typically, landlords bear the responsibility for the payment of ground rent or service charges. Our tenancy agreements include a clause stipulating that the letting must comply with any covenants outlined in a head lease. If there are specific provisions or conditions within the head lease that tenants should be aware of, we kindly request that you bring them to our attention. This proactive communication helps ensure adherence to the terms of the head lease and facilitates a smooth and compliant tenancy arrangement.

## INCOME TAX

Income from rent is currently classified as unearned income by HMRC and is subject to taxation at the standard rate. However, significant changes are anticipated in the coming years, and it is strongly recommended to independently investigate all tax matters.

Our clients fall into three categories:

1. Persons paid by H M Government and working abroad (e.g., service personnel, foreign officials, etc.).
2. Persons working or living abroad whose salary/income is paid outside the United Kingdom and is not subject to United Kingdom tax.
3. All other persons.

Over the years, various management acts of parliament have designated the responsibility for tax payment for individuals falling into category 'b' on managing agents, which is us.

For clients falling into category 'b', it is necessary to complete an HMRC form (NRL1) and submit it to HMRC. This form is essential for HMRC to grant authorisation to pay rent gross, with no tax deducted. Authorisation is contingent on satisfying the Inland Revenue on any of the following points:

- There will be no tax due.
- Your UK tax affairs are up to date.
- The revenue is satisfied that you will honour any tax liability.

For clients falling into other categories, the legal responsibility for dealing with HMRC rests with them. Listed below are some of the allowances that may be claimed against rental income:

- Council Tax/ Water rates
- Agents fees and charges, including VAT
- Maintenance and servicing expenditure
- House and contents insurance
- The cost of telephone calls and correspondence to the Agent
- The cost of visiting your property on necessary occasions can be claimed, providing they are sensible (e.g., in the case of evictions). You stand a fair chance that the Inspector of Taxes will allow some or all of what you claim.

These are broad outlines, and some specific points to watch out for include:

- Period of allowances: Relief cannot be obtained for repairs or maintenance that occurred before the property was made available for letting.
- Improvements: No expenditure for improvements alterations, or additions to the property can be claimed.
- Excess expenditure carried forward: If excessive maintenance work in one tax year results in no tax liability, the balance can be brought forward into the following tax year to offset against income.

Note: HMRC is currently making changes to tax due from rental income, including a reduction in allowance from interest paid to a lender and the removal of the 10% dilapidations allowance. It is advisable to investigate your tax liabilities, as these changes are likely to evolve closer to implementation.

## INSURANCE

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Landlords are advised to inform their insurance company of lettings, ensuring full coverage during the tenancy period.

## **BANKS**

Prior to initiating a property letting, it is imperative to inform the bank or any other lending institution with a stake in the property. Obtaining their approval in advance is crucial to ensure compliance with contractual obligations and to facilitate a smooth and authorised letting process.

## **GARDENS**

With the exception of larger houses, tenants bear the responsibility of maintaining the garden in the same condition as it was at the beginning of their occupancy. To fulfil this obligation, landlords should ensure that appropriate tools such as a lawn mower are provided. The condition of gardens can be a potential source of disagreement, considering that individual preferences for gardening may vary. Nevertheless it is essential that lawns are regularly mowed and borders are kept free from weeds. This basic requirement helps uphold the overall appearance and upkeep of the property's outdoor spaces.

## **PETS AND SPECIAL CONDITIONS**

Pet requests will need to be considered by the Landlord in accordance with current legislation and the specific circumstances of the property. Special conditions associated to the property, including any rules and regulations for developments, parking restrictions, etc should be discussed with Greenwood and Company during the initial valuation. This ensures that new tenants are fully informed and can adhere to the rules and regulations during the tenancy.

## **APPLIANCES**

It is recommended to leave manufacturers' instruction leaflets, along with any guarantees or servicing agreements, either at the house or with our office. As a precautionary measure, please ensure that the doors of refrigerators and deep freezers are left open, and stopcocks are turned off. We do advise landlords to ensure that all water pipes and storage tanks are adequately lagged to prevent potential issues.

In the event of breakdowns, the responsibility for repair costs falls on the landlord. However, we can facilitate the necessary arrangements for repairs through our network of local contractors, who are tried, tested, and offer competitive prices. This ensures that maintenance issues are addressed promptly and efficiently, maintaining the functionality of appliances and systems within the property.



## FIRE SAFETY REGULATIONS

### **1. Smoke Alarms and Carbon Monoxide Alarms:**

Landlords are required to provide a smoke alarm on each storey of a rental property.

In addition, landlords must install a carbon monoxide alarm in any room used as living accommodation which contains a fixed combustion appliance (excluding Gas Cookers).

### **2. Escape Routes:**

Landlords must ensure that tenants have access to escape routes at all times. This is essential for the safety of tenants in case of emergencies.

### **3. Fire-Safe Furniture and Furnishings:**

Landlords are obligated to provide furniture and furnishings that comply with fire safety regulations. This includes adherence to The Fire and Furnishings (Fire Safety) Regulations 1988, as amended.

### **4. Fire Alarms and Extinguishers for Large Houses in Multiple Occupation (HMOs)**

Larger properties designated as Houses in Multiple Occupation (HMOs) may require additional fire safety measures, such as fire alarms and extinguishers

## GAS REGULATIONS

### **1. Gas Safety Checks:**

Landlords are legally required to have an annual gas safety check conducted by a Gas Safe registered engineer for all gas appliances and flues in their rental properties.

## **2. Gas Safety Record:**

Following the gas safety check, landlords must provide tenants with a Gas Safety Record. This document outlines the results of the safety check, any issues identified, and actions taken to rectify them.

## **3. Maintenance and Repairs:**

Landlords are responsible for ensuring that gas appliances, fittings, and flues are maintained in a safe condition. Prompt action must be taken to address any identified issues

## **4. New Tenancies:**

Before a new tenancy begins, landlords must provide tenants with a copy of the current Gas Safety Record. This is typically done within 28 days of the annual gas safety check.

## **5. Record Keeping:**

Landlords are required to keep copies of Gas Safety Records for at least two years and provide them to existing tenants within 28 days of request.

## **6. Gas Safe Registered Engineers:**

All gas work, including installation, maintenance, and safety checks must be carried out by Gas Safe registered engineers. Landlords should verify the engineer's Gas Safe credentials.

## **SMOKE ALARM AND CARBON MONOXIDE DETECTOR**

As of October 1, 2022, it is a legal obligation for all rental properties in England to adhere to The Smoke and Carbon Monoxide Alarm Regulations 2022. Landlords are required to install new alarms or rectify existing ones to ensure compliance. Failure to comply with these regulations may result in fines of up to £5000.00.

Upon the commencement of a new tenancy, it is imperative that every smoke and carbon monoxide alarm is in proper working order. Specifically, carbon monoxide alarms must be installed and maintained in good working condition in any room designated as living accommodation and containing a fixed combustion appliance. Additionally, there should be at least one smoke alarm on every floor of the property where a room is utilised or partly used as living accommodation.

These regulations are designed to prioritise the safety of tenants, and landlords must proactively ensure that their properties meet these requirements to avoid potential penalties and to safeguard the well-being of occupants.

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

Effective from July 1, 2020, landlords are mandated to acquire a valid Electrical Installation Condition Report (EICR) to guarantee the safety of every electrical installation in their residential properties. These installations must undergo inspection and testing every five years, conducted by a qualified and competent professional. The regulations apply to all new lettings from July 1, 2020, encompassing renewals of existing tenancies and situations where a tenancy concludes its fixed term and transitions into a periodic basis. Furthermore, the regulations will extend to include all tenancies starting from July 2021.

Landlords are required to provide tenants with a copy of the condition report. In cases where the report deems the installation unsatisfactory and stipulates necessary remedial work or further investigation, landlords must ensure that qualified and competent professionals carry out the required actions within 28 days or sooner, depending on the report's recommendations.

## **ENERGY PERFORMANCE CERTIFICATES**

Commencing from October 1, 2008, landlords in England and Wales are legally obligated to provide new tenants with an Energy Performance Certificate (EPC). It is the landlord's responsibility to ensure the availability of a valid certificate, even in cases where a letting agent is overseeing property management. The EPC remains valid for a duration of 10 years, and we offer assistance in arranging the assessment if desired. Alternatively, we can verify the central EPC Register to confirm if one has been conducted within the past decade.

Since April 2020, all properties within the Private Rented Sector must adhere to an EPC rating no lower than E. Consequently, it is unlawful to lease a property with an EPC rating of F or G, unless an applicable exemption exists. The EPC provides a comprehensive rating of a building's energy efficiency and carbon emissions on a scale from A to G, with A representing high efficiency and G indicating lower efficiency.

For the convenience of our clients, Greenwood and Company can facilitate all these arrangements, and details of associated charges can be found at the conclusion of this guide. It's important for landlords to stay informed about the specific legal requirements in their region, as regulations may vary. Compliance with safety regulations is not only a legal obligation but also contributes to creating a safe living environment for tenants.

## **ANTI MONEY LAUNDERING**

Effective from the 14th May 2025 all lettings agents in the UK are required to carry out Anti Money Laundering (AML) processes. This means prior to us marketing a property we need the following information for all property owners - full names, telephone phone numbers, email addresses, D.O.B's and current addresses. Once submitted landlords will receive an email from Mudhut regarding the AML identification check powered by Equifax.

## **ADDITIONAL FEES**

We adhere to a transparent fee structure and do not impose any additional charges beyond those mutually agreed upon with our clients. Notably we refrain from imposing extra fees for maintenance work conducted on your property. This stands in contrast to a prevailing industry practice, which we firmly oppose. It is worth highlighting that our stance aligns with the views supported by Trading Standards. Furthermore, the government is actively exploring initiatives to prohibit this practice, emphasising our commitment to fair and straightforward dealings with our clients.

## FEE SCHEDULE

(Please note all the fees below are **inclusive** of VAT)

### LEVEL OF SERVICE OFFERED:

<b>Tenant Find:</b>	10% of 12 months rent
<b>Rent Collection:</b>	12% of the monthly rental income
<b>Fully Managed:</b>	14.4% of the monthly rental income
<b>Premium Fully Managed</b>	14.4% of the monthly rental incoming and includes Enhanced Rightmove Rent Guarantee and Legal Protection:

Rents between:	£701- £2,000pcm - <b>£60.00 per month</b>
	£2,001 - £3,000pcm - <b>£72.00 per month</b>
	£3,001 - £5,000pcm - <b>£84.00 per month</b>

### ADDITIONAL FEES AND CHARGES (IRRESPECTIVE OF LEVEL OF SERVICE):

Tenancy Set Up Fee	£400.00
<small>(referencing up to two applicants, advise and agree market rent, marketing photos, advertise property, erect board, accompany viewings, negotiate tenancy offers, advise on Landlord obligations, current Regulations and AML compliance.)</small>	
Additional applicant/guarantor	£72.00
Initial APT Tenancy Agreement	£200.00
TDS Tenancy Deposit Service Fee	£78.00 per annum
TDS Deposit Dispute Claim Submission & Defence	from £250.00
First Tier Rent Tribunal Submission & Defence	from £250.00
Inventory & Statement of Condition	from £180.00
Check Out	from £160.00
Check In	from £130.00
Legionella Risk Assessment	from £150.00
Energy Performance Certificate	from £180.00
Electrical Safety Tests	from £280.00
Issuing Notice Seeking Possession	Please seek legal representation
Issuing Section 13 Notice Rent Increase	from £120.00
Project Management Fee – organising quotes & supervision of works -	
10% of cost of works between £1000 - £2000	15% of cost of works over £2000
Hourly Rate for other works	from £95.00
<small>(duplication and testing of extra keys, sales enquiries, extra property visits)</small>	
Monthly Vacant Property Management	from £164.00
Minimum Fee per Tenancy (in case of early termination)	£950.00