

THE
LETTINGS HATTRICK



BY GARY ABELA



1 SHOULD A LANDLORD
LET & SELF MANAGE?

2 HOW TO IDENTIFY A GREAT
LETTING AGENT.

3 RESIDENTIAL LETTINGS &
MANAGEMENT SERVICE

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WELL HELLO THERE AND THANKS FOR SUBSCRIBING TO MY NEWSLETTER & DOWNLOADING MY LETTINGS HATTRICK PDF.

I AM GIVING THIS TO YOU AS MY WAY OF SAYING THANKS FOR DROPPING BY AND TAKING THE TIME OUT!

I HAVE THE PLEASURE OF INTRODUCING TO YOU THE 3 DYNAMICS OF WHAT IT TAKES TO UNDERSTAND THE LANDLORD REQUIREMENTS OF ACHIEVING THE SUCCESSES & EXPERTISE OF MY PROPERTY LETTINGS & INVESTMENT SERVICES.

- 1. SHOULD A LANDLORD LET & SELF MANAGE**
- 2. HOW TO IDENTIFY A GOOD LETTINGS AGENCY**
- 3. RESIDENTIAL LETTINGS AND MANAGEMENT SERVICE**

AS A PROPERTY LETTINGS EXPERT - I AIM TO SERVE YOU & ENSURE YOU ARE PRESENTED WITH THE BEST ADVICE AND INFORMATION POSSIBLE.

AS A PRIVATE LANDLORD MYSELF - I ENSURE YOUR PROPERTY WILL BE LOOKED AFTER AS IF IT WERE MY OWN.

HERE IN THE VIBRANT CITY OF NEWCASTLE UPON TYNE WE HAVE SO MUCH TO OFFER THE BUDDING PROPERTY INVESTOR, IT IS STILL A GOOD TIME TO INVEST ACROSS NORTH TYNESIDE & EXPERIENCE ATTRACTIVE PROPERTY DEALS & GENEROUS YIELDS.

I OFFER YOU THE OPPORTUNITY OF EXPERIENCING A SERVICE UNIQUE TO PRIVATE LANDLORDS, THUS ENSURING A PERSONALISED BESPOKE LETTINGS & BUY TO LET ADVISORY SERVICE.



SHOULD A LANDLORD LET & SELF MANAGE

Further to our recent chat on why a Landlord should consider the use of a fully compliant lettings agent for Let only and full Management, is primarily due to the ever changing regulations of which are subject to change anytime

TIME MANAGEMENT & PERSONAL LIFE

If you have a busy & well paid alternative career, the idea of interaction with tenants and trades does not appeal to you, the time and stress involved in solving tenant issues outweigh the costs of management & the impact of time taken out of your personal life.

LET ONLY - LEASE ASSIGNMENT

The entire procedure is time sensitive, the assignment of a lease must be accurate & accompany all relevant documentation & information, at Concentric we maintain a 60 point check list to ensure we are fully compliant.

A Landlord must be absolutely certain the assured short hold tenancy is correct to the law.

If information is not issued accurately a lease will not stand meaning a section 8 or 21 may not be valid or damage bond meaningless, a judge will give sympathy to the tenant & reject the case, meaning more costs & more time to see a problem tenant leave the property.

DEPOSIT PROTECTION

The Landlord must place the deposit in a government recognised scheme within 30 days of receipt.

PRESCRIBED INFORMATION

This information must be processed accurately & given to the tenant within 30 days of receipt of deposit being protected, if not your lease



is not assigned correctly & may not stand up in court and your damage bond may stand for nothing, a tenant may cause damage & be entitled to a full deposit refund, whilst the Landlord is taken to court and could be fined.

REFERENCING

Referencing is an essential activity & may be sensitive to the performance of the tenants, the reference process is vital to the track record & affordability of tenants & guarantor.

INVENTORY CHECK IN - CHECK OUT

A Landlord may conduct the inventory or they may wish to employ the services of an independent or agent. The inventory must be comprehensive & unbiased. The inventory also forms the basis of check out & must be referenced as a historical means of evidence to constitute any authorised cosmetic changes, throughout the life of the tenancy.

UTILITIES – COUNCIL TAX

Landlords must ensure all utilities & council tax are registered in the names of the tenants.



Self-Manage - Landlords need to know their legal obligations

Landlords need to ensure they are letting their property in full compliance with the many changing property laws that apply in full management, it is critically advisable you are in constant touch with the rapid changes.

For instance ignorance is not a valid legal defence in court if you have failed to protect your tenants from something in the property that can cause injury or death. There are currently 160 pieces of legislation that a landlord has to comply with.

DEREGULATION ACT 2015

The Deregulation Act 2015 was passed on 26 March 2015 and covers various points which will be of interest to landlords and those appointed to deal with residential properties. Certain provisions of the Deregulation Act only apply to property in England.

Possibly the most important changes that Landlords should be aware of are the changes to the section 21 notice & how unless fully compliant you are restricted in obtaining possession of your own property.

TENANTS RENT PAYMENTS & ARREARS

The Landlord must be aware of the necessary procedures to follow when chasing arrears, we for instance follow ARLA guidelines to be sure our monitoring & expediting are within the legal parameters of the law, thus ensuring tenants are unable to claim harassment & if a case goes to court the issue of monitoring & chasing arrears has been processed in a competent manner & will not be thrown out of court in sympathy of the tenant.

REPAIRS & MAINTENANCE

The Landlord is legally obliged to respond

in writing to all tenant requests for repairs and maintenance. As of 1st October 2015, if a tenant reports a repair in writing and the landlord fails to respond with an action plan within 14 days then landlords can potentially lose their rights to serve Section 21s.

LICENSING

Landlords must be sure of any licensing laws of which may be imposed at any time by the Local Authority, the Landlord must be sure the property complies, they also need to be aware of any likely ongoing changes to same regulation.

RIGHT TO RENT - IMMIGRATION ACT 2016

Immigration Act - this act is live and came in to force for all of England. In light of the recent Brexit article 50 changes failure to comply can lead to a fine of £3000 per occupier and/or up to 5 years imprisonment. Landlords are required to obtain evidence of every OCCUPIER residing in the property not just those that are tenants. This will include occupiers you may not be aware of. A competent agent is able to incorporate as such in the form of inspections & communication with local neighbours. The Landlord would have to sign, date and retain a copy of the documents on file of all checks carried out and follow up checks of those that have limited time to reside, all of this must be carried out whilst ensuring you are not discriminative.

ELECTRICAL CHECKS

This is a grey area with the certification laws expected to be imposed & in line with Gas Safety certification any time soon, this may constitute the need to revise electrical checks or inspections on existing tenancies once enforced.





RENEWING TENANCIES

Diarise tenancy end dates and renewals.

ENDING THE TENANCY AT ANY STAGE

Landlords must ensure strict legal procedures are followed and maintained if you require your tenant to leave the property, this applies even if the fixed term has ended.

IN SUMMARY

In all sincerity you must seriously take into consideration all of the responsibilities required & relying on a fully compliant reputable agent is necessary to take the strain for you. Whatever you are & whatever your status you must decide if you are in a position to deal with any property or problematic situation of which may arise, particularly if you live away from the property. A competent, systemised, compliant agent is a very useful and cost effective representative on the ground & readily available to act & respond accordingly.

If you choose to effectively reject the need for an agent on the ground you must be sure you are able to factor in all of the required skills, marketing, legislations, regulations, tenancy laws, welfare issues and the housing act.

You must also be confident to be able to effectively monitor incoming rent payments & chase arrears being sure you have the adequate systems in place to alert & enable, the Landlord must also be aware of the standards and practices required when chasing arrears, unless this is done lawfully your case may not necessarily stand up in court.

GARY ABELA
Concentric Lettings – North Tyneside

GAS & FIRE AND SAFETY

Properties must comply with all of the rules required of Gas Safety., which are subject to ongoing revision, Landlords must diarise any certification requiring renewal and be proactive as required.

SMOKE ALARMS & CARBON MONOXIDE DETECTOR ACT 2015

This came into force in October 2015 and is now a legal requirement to have a smoke alarm on each floor of a property (including stairwells) and carbon monoxide detectors in rooms where the tenant has the ability to burn solid fuel.

HEALTH & SAFETY – COMPLYING WITH CONSUMER PROTECTION ACT 1987

The Property must be in a safe condition and free from health hazards & keep it in a good state of repair throughout the tenancy.

TENANT LIAISON

You must be available at all times to connect with your tenant in order to respond and serve their needs as seen, this of course could be within or after normal office hours, bank holidays or Christmas day, including whilst you are out of the country.



HOW TO IDENTIFY A GREAT LETTING AGENT

Can you imagine a world without letting agents? I'm sure some people would like to see the back of them and even suggest that the world would be a better place... but would it? Like any well-practiced professional, a good lettings agent should make an investor landlord more money, save them time and remove a great deal of the day-to-day management activities.

A REGULATED AGENCY

Are they members of ARLA or another regulatory body that is monitoring them to ensure they are compliant?

Lettings is still an unregulated industry.

In this country we are so used to regulation protecting us from unscrupulous traders that we feel or expect to be 'safe' when dealing with any business.

The government however, seems to have very little appetite for regulating agents, which means that it is a bit of a wild west out there on the high street.

When dealing with any trader within an unregulated industry, you are best to seek out one that has voluntarily joined a 'self-regulating' scheme.

This means that they know they are doing things right and have volunteered to be checked and accountable by joining such a scheme and agreeing to abide by its code of conduct.

In lettings the most established and strict of all the schemes in the UK is ARLA (Association of Residential Letting Agents).

When using an ARLA licensed member you will enjoy being safe in the knowledge that ARLA has checked the operation you are looking to use, so you don't have to, just check that they are listed on the ARLA website.



DO THEY HAVE CLIENT MONEY PROTECTION TO COVER THEIR DEPOSIT ACCOUNTS?

If they are not ARLA members then, as an absolute minimum, you must ensure that they have 'client money protection insurance' to protect you and your tenant.

Consider how much money actually goes through the hands of a letting agent, with rent and deposits they collect, it can amount to quite a sum.

In the past agents have closed down and taken all of this money, leaving landlords with no tenancy agreements, no rent, no deposit and a very upset tenant, don't let this happen to you.

Look for an agent belonging to 'safeagent', which is an organisation that ensures its members have such protection.

Alternatively you could ask the agent for a copy of their current policy certificate. This should give you all the information you need to evaluate whether this is the right agent for you.





IS THE MANAGER, OR OWNER, QUALIFIED IN LETTINGS AND MANAGERMENTS OR HAVE MANY YEARS EXPERIENCE?

I cannot stress enough to all landlords, as to how complex the lettings and management industry is.

There is a raft of extremely complicated, and in many cases, conflicting legislations relating to what we do and a good level of legal training is required for even the simplest of letting agency roles.

Over the last two decades I have employed hundreds of staff and I have yet to employ one from another agent which I feel has had anywhere near enough training to perform a decent management or letting service.

Avoid this one at your peril!

Would you want someone who was working in a fast food restaurant yesterday, drawing up your tenancy agreement that you will have to rely on in court if the tenant defaults?

Or would you want them in charge of the management of your property, dealing with the council in relation to any HHSRS claims and advising you through the myriad of legislation the council will throw at you..? Probably not.

You go to a letting agent because you want

an EXPERT handling your property letting and management, to protect you and your tenant and to ensure you do NOT fall foul of any of the legislations out there (many of which carry prison sentences and large fines).

Stay safe, ensure they are qualified or at least have a management team that is.

DO THEY HAVE A DEDICATED PROPERTY MANAGER OR MANAGEMENT TEAM?

The TPO reports year after year that the highest level of complaints in relation to managing agents comes from their lack of service in the area of property management.

Calls not being returned, maintenance not being attended to, rent not forwarded, etc.

However, many letting agents on the high street pay very little attention to the 'property management' side of their business, preferring instead to focus on the front end 'letting' of the properties, which in their mind 'brings in the cash'.

What this means is that they have not allocated funds to pay for a full-time dedicated Property Manager. Therefore, the people handling the tenant enquiries and landlord calls, which lead to neighbours to be spoken to, maintenance work to be carried out, arrears to be chased, contracts renewed, notices issued, etc. are being carried out by... you guessed it, the 'Lettings Negotiator'!

The problem here is that lettings negotiators are traditionally on low basics, because they have to 'Let' properties to increase their pay, so what do you think they will prefer to spend their time on?

This is a disaster, in every agency where this is the case, the management is simply just NOT done, yet the fee is still charged regardless.





DO THEY HAVE A SEPARATE CLIENT ACCOUNT MANAGER TO ENSURE YOU GET YOUR PAYMENTS ON TIME?

The reason you have bought a property to let out and have accepted a tenant, is because you want to receive rent every month. You have employed an agent to help you obtain the rent and to pay it to you, but here is the problem.

Very few agents have someone dedicated to paying the rent to landlords, it seems to be a function that 'someone' in the office does, normally when it's quiet.

Do you really want your rent to be paid to you by someone in the office 'when it gets quiet?' I'm sure you don't.

The ledgers and accounts for a lettings branch is again very complex. There are landlords ledgers, tenant ledgers, contractor ledgers and agency ledgers and all these have to be reconciled and accurate, as well as matching what is on the system and in the bank account.

For us, the reconciling and payments to landlords is done every day, which means landlords only have to wait a couple of days

to receive their rent. It is quite common for agencies to do ALL of the rents on one day, e.g. 1st of the month.

What this means is that if your rent is paid to the agency on the 2nd, (which is likely due to the majority of people moving in to a property at the end of the month. It is then approximately the 2nd of the month by the time the rent lands in the account), then you will have to wait a whole calendar month before you can receive your rent in your bank account. So will your contractors who carry out work for you, and they won't be happy about that.

Alternatively it is the business owner that pays the rents, when he gets time, or worst still, the Property Managers that do it merely as another 'administration function'. I find this very scary, given the knowledge I have as to how complex this area is.

So if you want to receive your rents accurately and on time, ensure that your agent has a dedicated 'Client Account Manager'.

WHAT IS THEIR ARREARS RATE ACROSS THEIR MANAGEMENT PORTFOLIO?

Rent arrears are the pain of many landlords and the main reason many choose to go with an agent, no-one likes chasing rent arrears... or do they?

If handled correctly, arrears handling is quite an art and can have amazing results. Let's consider what you are looking for. You will need someone who is focused on property management (not doing deals); they will need to understand the landlord's needs for the rent to be paid and the pain he suffers when it is not.

The staff members need to be trained on communication skills, because with rent arrears, it is all about 'continuous communication'.



With continuous communication, as well as having 25% of our properties being LHA, we are proud to maintain less than 2% arrears and a

.003 eviction rate (at a time when the national average is 10% arrears and 2% eviction rate).

We have achieved this through understanding the process, being absolutely clear in our communication and also being persistent. It really does work!

So when considering an agent, find out more about them by asking what their arrears rate is across their portfolio, you may be surprised. It will show just how well the team work underneath the surface, or not as the case may be!

WHAT DO THEIR REVIEWS SAY ABOUT THEM ONLINE?

If you are looking for a restaurant, or a hotel to book, you would take a look at the reviews online before deciding whether to go or not. And don't you get to read some interesting reviews!

Letting agents are no different. I know in my town who does a good job and who doesn't.

The reviews online really do reflect the reality. Therefore, when looking for a letting agent, Google the agent and 'reviews' to see what turns up.

I say to do that because there are so many review sites now you cannot rely on one site; unfortunately there is not a 'Trip Advisor' for us agents, so they end up being all over the place.

Google Places is growing as a place to search for agent reviews and FreeIndex is one of the top sites too. Check them out as you will get an insight into what their back end service is like.

A word of caution, letting agents work for the



landlords and sometimes have to evict tenants, so there will always be an element of negative reviews.

Expect a 5-1 ratio of positive to negative (5 positive to each negative) as a good place to start.

DO A MYSTERY CALL AS A TENANT, HOW QUICK DO THEY ANSWER THE PHONE AND DO THEY CALL BACK?

So you want to instruct an agent, but you want to make sure. Why not consider a mystery shop to your agent of choice.

Simply call them posing as a tenant, this will help you get a great idea of how they will be

dealing with all those tenant enquiries coming in for your property.

Do they answer the phone quickly, politely and deal with you professionally, do they follow up with an email and do they keep you on their list to update you with new instructions that come through?

If not, move on, your tenants will be doing just that.



ARE THEY LANDLORDS THEMSELVES, THEREFORE HAVING A DEEPER UNDERSTANDING OF ALL YOUR NEEDS?

I find that being an investor landlord myself I really understand what a landlord thinks and wants. I have to smile at myself sometimes with some of the things I say to the staff, because I too feel the pain when a tenant doesn't pay the rent or a flat is empty, or the boiler packs up... I really DO understand!

If you are looking for someone to help you to expand your portfolio, then this would be a greater requirement, as you will be looking to them for advice.

There is no better advisor than someone who has done it themselves! Someone who is not a landlord CAN be a good letting agent, but to get that 110% from an agent, having someone in the management level that is, will really make that bit of difference.

If they are offering you advice on what to buy, then an investor will have better contacts in the local community with other estate agents, builders, the local council, planning officers, etc. and will be able to go that one step further.

This enables you to tackle each issue you encounter as carefree and smoothly as possible.

HOW GOOD ARE THEY AT MARKETING?

At its basic level a letting agent is a Letting and Marketing machine. Landlords go to agents to 'Find them a Tenant', without this there is no management to consider and there will be no rent, so surely this is THE most important part of any landlords remit when checking up on a tenant.

It is really quite easy to check up on an agent in relation to how good or bad they are at marketing their client's properties and most of it can be done online too.



Nearly all agents use Rightmove so I shall refer to them here; however in some geographical areas, other portals have the edge, so check that out first.

Go onto RM and have a look at their properties, firstly what sort of properties do they advertise, are they in the same sector as your property, if they are, then take a deeper look, choose to view all of their properties and see if they all have photo's, are they up-to-date (look for snow or signs of the season being different to now) if they do not have photos, what percentage does not?

If they do have photos do they have internal photos as well, are they presented well?

Also look to see what the descriptions are like for the properties, are they clear, detailed, sufficient?

All of the above will determine how many 'clicks' your property advert gets, which in turn means how many people will 'view' the property online and then call to make a viewing.

All agents in every town have something called a 'Click Through Rate' or CTR, this is the percentage of viewers that 'click' on the property advert in order to see more details. All agents have a ranking within the town as to where they are on the scale against their competition, so why not ask to see this report?





IN SUMMARY

Until the lettings industry is regulated, all agents are NOT equal; a landlord needs to be diligent to ensure he is choosing the right agent first time.

Unfortunately many agents are chosen on price, this is a false economy.

I guess you can figure out from the information given previously in this guide what the set up would be like

from a cheap agent in relation to a more expensive one and similarly what the difference will be in the service levels.

The choice is yours, pay a 5% management fee and NOT receive any management or pay 10% and relax in the knowledge that your property is being managed thoroughly just as you would yourself!

