

# Living Renting your home



## The complete service for peace of mind

Falcon Lettings have been renting out property in the Plymouth area since 1995. The lettings department was founded to serve the needs of homeowners who at the time were struggling to sell their homes and for them letting was the option of 'last choice'.

The property market then was somewhat different to that of today when 'buy to lets' were the preserve of a very limited few. Today, property rental forms the basis for many people's financial security for when they come to retire.

At Falcon Lettings, our aim has always been to provide our clients with a level of peace of mind that only comes with knowing our business inside and out.

Over the years we have developed a reputation in the City for providing the highest level of personal service to our clients. Today, the majority of our business comes from the recommendation of landlords to their friends and from tenants – many of whom have become landlords letting through us! We are regulated by the Association of Residential Lettings Agents (ARLA),

and The Property Ombudsman (TPO). Membership of these bodies offers security and peace of mind to both landlords and tenants that they will be treated professionally and fairly. All client's money is handled through secure 'Clients Accounts' which means the money can not be used in the day to day running of the business. The client's accounts are audited every year. We have Professional Indemnity Insurance and Client Money Protection insurance arranged through ARLA recommended insurers which gives added reassurance for our clients.

Services and Agreements  
Rents and Deposits  
Preparing your property for rent  
Safety regulations and utilities

**Find out more**

Visit our website  
[falconlettings.com](http://falconlettings.com)

# An overview of what we do

We aim to provide a complete service for our clients with their peace of mind our number one priority.

Our service starts with the marketing of your property through our Mutley Plain office, our own website and through all of the major internet portals including Rightmove and Zoopla.

Once a tenant has been found we take up references, including a credit check which provides an overall credit score/profile of your prospective tenants. If all is satisfactory the next stage involves drawing up the tenancy agreement, preparing the inventory/statement of condition, including photographs, and serving the relevant legal notices. In addition to taking the first

months rent in advance we also take a security deposit which is normally equivalent five weeks rent. The rent is collected monthly by standing order and is then paid into your nominated bank or building society account.

With our full management service we deal with all maintenance and visit the property on a regular basis. At the end of the tenancy we also re-inspect the property and if necessary, make any deductions from the tenants deposit.

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## Lettings Only Service

- 1 Advising as to the likely rental income.
- 2 Advertising and generally marketing the Property.
- 3 Interviewing prospective tenants and taking up references using a credit referencing agency to include a credit profile, employers' reference and previous landlord reference where possible. Where necessary, additional security would be requested by means of a guarantor. In the case of a company, a full bank reference would be taken.
- 4 Preparing the appropriate Tenancy Agreement necessary for the Landlord to gain protection of the relevant Rent and Housing Acts and renewing the Agreement where necessary at the end of the Term.
- 5 Liaising with a Landlord's mortgagees where necessary with regard to references and Tenancy Agreement.
- 6 Arranging the necessary annual safety checks for gas and electrical appliances (Let Only will be for the beginning of the tenancy only).
- 7 Informing the Landlord of any obvious safety precautions.
- 8 Initial Immigration check

At this stage for the Letting Only Service the initial rent, deposit and tenancy agreement are passed onto the landlord who will takeover the ongoing management of the property. If required, we can hold the deposit at no extra charge.

## Part Management Service with Rent Collection

In addition to the above items:

- 9 Advising service companies (electricity, gas and water) of meter readings and advising them of the transfer of service contracts to the tenant at the beginning of each tenancy. We will also advise the relevant local authority with regards to council tax liability.
- 10 Preparing an inventory before the commencement of the tenancy with relevant supporting photographs
- 11 Taking a deposit from the tenant, to be held by the Deposit Protection Service until the end of the tenancy when the Property and contents have been checked for any unfair wear and tear.
- 12 Collecting the rent monthly and paying over to the Landlord monthly (normally sent within 15 days of collection) less any fees or expenses due or incurred for the period. Payments will be made by direct bank transfer and a detailed rent statement will be forwarded to the Landlord.

- 13 Making payments on behalf of the Landlord from rents received for costs in managing the property.
- 14 Ongoing immigration checks that may be needed during the duration of the tenancy

- 15 Half yearly maintenance visit

The landlord will be responsible for the ongoing management of the property.

## Full Management Service

In addition to the above items:

- 16 Co-ordination of repair or maintenance including arranging for tradesmen to attend the Property and obtaining estimates where necessary, supervising works and settling accounts from rents received.
- 17 Carrying out property maintenance visits on a regular basis and an inventory check at the end of the tenancy and dealing with matters relating to unfair wear and tear before releasing the tenant's deposit.



# Tenancy agreements

## Assured Shorthold Tenancies

We normally use a hybrid version of an Assured Shorthold Tenancy - otherwise known as an AST - for an initial period of twelve months and continuing thereafter monthly.

The tenancy can be brought to an end at the end of the twelve months only by either party giving the required notice. For a landlord this is two clear months and for the tenant one months notice before the end of the twelve months.

The tenancy can be renewed or extended for another fixed term if requested but it is not our policy to do this automatically. Falcon do not charge for renewals or extensions as we feel this is all part and parcel of what we should be doing for our clients.

Normally the tenancy will continue to run on the same terms on a month by month basis until one of the parties decides to bring it to an end. This type of monthly tenancy is known as a periodic tenancy and is different from a contractual periodic tenancy.

The process of bringing the tenancy to an end starts with either the tenant or landlord giving the required notice. For a tenant it can be a simple email or one-line letter and gives a months' notice that they intend to leave. Landlords must use a specific form of words to be compliant and must be given two months in advance. The notice is just the start of the process and doesn't end the tenancy itself.

The advantage of our hybrid agreement is that it simplifies the registration of deposits and should the tenant move out early it should remove the liability for council tax reverting back to the landlord.


Occasionally tenancies can be granted for longer fixed period but generally this is not recommended as once granted, it can be difficult to remove a tenant within the fixed term if the need arises.

At the end of the first year, and annually thereafter, the rent can be re-assessed and is usually increased by the rate of inflation.

## Contractual Tenancies or Company Lets

Sometimes companies rent the properties on behalf of their employees and these tenancies are outside of the Housing Act so far as assured shorthold agreements are concerned. These agreements are known as contractual agreements and different regulations apply. With company lets, the company is ultimately responsible for the payment of rent and for any damage that the occupiers may cause.

Contractual tenancies are for a fixed period and finish at the end of that period. If the company wants to retain possession then a new agreement has to be drawn up.



**We do not charge for renewals or extensions to tenancy agreements, we feel this is all part and parcel of what we should be doing for our clients.**



# Finding the right tenant shouldn't be a question of luck

## Marketing

We have put together an extensive marketing package to find the right tenant for your property.

Our Marketing includes a full colour lettings list and extensive advertising on the major internet portal including Rightmove.co.uk and Zoopla.com.

We use a combination of high quality 'staged' photographs, floorplans and video walk throughs. For tenants that can't view in person we also carry out face to face video walk throughs.

We continue to get an amazing number of people who visit our office on Mutley Plain in search of their next home.

Social media has a part to play too and many of our tenants and landlords are recommended to us by friends and previous clients.

As a general rule, experience has taught us that the better the condition of the property – the better the tenant.

## Tenant selection

Peace of mind for Landlords involves taking as few chances as possible with your tenant and minimising the risks involved.

We start screening tenants from the first point of contact whether it is by email, telephone or face to face meetings in the office. We use a pre-screening data collection form to select the 'best' tenants before arranging a viewing. All viewings are accompanied which also helps us in matching the right tenant to the right property. Accompanied viewing gives us a valuable insight into the prospective tenant. In the past it has helped us to avoid incidents such as large families trying to rent small properties, or tenants trying to disguise whether they smoke or have pets.

All prospective tenants complete a detailed application form and have to verify their identification. We employ a specialist agency to carry out a detailed enquiry that includes a credit check, along with an employers and landlords reference.

Tenants on benefits are considered on their individual merits and some tenancies proceed with guarantors. At the moment, landlords can choose to accept a tenant with a pet or not.

Ultimately, the choice of tenant the landlord's decision.

Very often, the final test is one of 'instinct'. Do the tenants 'feel right'? Here our experience comes into play and from past experience where in doubt it is often better not to let.

**Zoopla**  
Smarter property search

**rightmove**.co.uk  
The UK's number one property website



# Rent and Deposits

## The right rent?

When it comes to advising landlords on the amount of rent, they are going to get, our philosophy is to that it is better to have a property let than to have it standing empty. A void period of a month or two can decimate a return and so our advice is that it is better to tune the rent to get a 100% occupancy rate rather than try and maximize the 'headline' rent and consequently have a higher proportion of void periods. For this reason, our guidance is to be realistic based on the market conditions and to try and strike a fair balance between the top figure you can get and a sensible figure that will keep the property let.

All rents are paid into our secure clients account by standing order and are then transferred into the landlords account net of any deductions by electronic transfer. Even with standing orders, the money has to clear into our account before it can then be paid over and this process can take 5-10 days depending upon the banks involved. Statements are issued monthly along with copies of any invoices.

We have the facility to take rent payments on credit or debit cards and find that for many tenants this helps them to meet their rental obligations.

We aim to keep tenants arrears to a minimum and try to have a pragmatic approach to problems that arise. Over time we strike up a good working rapport with both tenants and landlords which helps us to identify when things are getting out of hand and helps us to understand the temporary 'blips' that can occur.

## Deposits

Normally tenants pay a security deposit which is usually equivalent to five weeks rent. We are not allowed to ask for a higher deposit.

Deposits are required to be held within a government approved 'tenancy deposit protection scheme'. If the landlord and tenant can not agree on any disputed deduction at the end of the tenancy, then the dispute must be referred to an independent adjudicator for resolution.

Falcon Lettings are members of the scheme administered by Deposit Protection Service (DPS). We do not hold the deposit, it is held by the DPS. Full details can be found on their website [www.thedisputeservice.com](http://www.thedisputeservice.com). In the event of a dispute we will handle the necessary paperwork and submission to the DPS. For both landlords and tenants there is no actual charge to refer a dispute to arbitration and one consequence of this is that tenants have 'nothing to lose' in disputing a claim made against them.

We have been on training courses to deal with deposit disputes including events organised by the DPS. This means that we have a very good understanding of how the DPS work and so we can advise to what is a fair approach to end of tenancy issues.

The procedures for compliance are strict with clearly defined time limits for the provision of prescribed information to the tenants about where their deposit money is to be held. The penalties for non-compliance are severe. For example, just failing to register the deposit or supply the tenants with the prescribed information will result in an automatic order repaying the deposit to the tenant plus putative damages of up to three times the deposit. Landlord's repossession rights can be affected if documents are forgotten or wrong document are used so it's really important to get things right.



**Deposits are required to be held within a government approved 'tenancy deposit protection scheme'.**

**We have good working relationships with both tenants and landlords**

# Preparing your property for rent

## Clean and Tidy

The first rule is that the property must be clean and tidy. Before a tenant moves in we will prepare an inventory and statement of condition. If the property is found to be dirty, we can arrange for it to be cleaned to an acceptable standard and this will be charged to the landlord. In return, when the tenant comes to leave we would expect the property to be clean and tidy too although an allowance will be given to what is considered to be fair wear and tear. Attics, garages and cellars should be emptied and landlords should not store anything on the premises. Where this is unavoidable, it is important that nothing which has a potential health and safety risk to tenants is left in the building. If stored in a garage, these must be kept locked. Any gardens should also be tidied and any waste should be removed before the tenants move in.

**With so much to think about, we can handle all of the regulations and details for you!**

**Keep everything spick and span as this sets the standard for your tenant.**



## Health and Safety

Landlords and managing agents have a duty of care in making sure that the properties they rent out are safe and do not pose a danger to anyone entering or living in the premises. There are numerous pieces of legislation that covers just about everything from the supply of instruction manuals, Furniture and Furnishing Regulations, Regulations covering the wiring and even regulations that apply to the supply of bunk beds!

The various regulations and standards that all landlords must adhere to include:

- Safety Regulations: Gas safety, Electrical safety, General product safety
- Housing, Health and Safety Rating System for rental property HHSRS
- Building Regulations
- Houses in Multiple Occupation HMO's
- At the start of every tenancy there should be fire/smoke alarms on every floor and carbon monoxide detectors in every room with a gas appliance (but not a gas hob in a kitchen) or open fire.

## Furnished or Unfurnished?

The vast majority of lets are unfurnished. Unfurnished properties are just that, except we would expect carpets and at least curtain rails, preferably with curtains too. If there's a garden its always a good idea to leave some basic tools and a lawn mower.

Extra items that can make the difference are cookers first, then washing machines, dishwashers and fridge/freezers.

The downside of leaving electrical appliances is that they do break down! It is very difficult to prove mis-use and so the cost falls to the landlord to either repair or in today's 'throw away society' to replace.

# Safety Regulations

## Gas Safety

All gas appliances are serviced on an annual basis and a gas safety record issued to the tenant at the beginning of the tenancy

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## Electrical Safety

Every property must have the fixed wiring checked by a competent person every five years. All class 1 and 2 faults have to be rectified.

All portable appliances and leads should be visually checked before each tenancy to ensure there are no cracked sockets, exposed wires, the plugs are sound and contain the correct fuses.

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## General Product Safety

Here there are numerous regulations including the General Product Safety Regulations 1994 which specifies any product supplied to a consumer in the course of a commercial activity - and that includes letting - must be safe.

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## Smoke and Carbon Monoxide Alarms

All landlords are obliged to provide smoke alarms on each floor of any dwellings they let, including floors that only have a bathroom or WC. They have to be confirmed to be working on the day a tenant moves in. Carbon Monoxide detectors must be supplied in every room where there is a gas appliance (excluding a gas hob) an open fire or wood burning stove. Landlords are required to replace any faulty alarm however tenants are required to check the alarms regularly and to replace batteries.

Furniture and Furnishings (Fire)(Safety) Regulations 1988 applies to beds, headboards, mattresses, sofa-beds, futons and other convertible beds, nursery furniture, garden furniture, scatter cushions, seat pads, pillows, loose and stretch furniture coverings and other replacement furniture. All furnishings must carry labelling as shown below.

The scope of safety related legislation is extensive and other regulations to consider are the Bunk Bed (Entrapment Hazards) (Safety) Regulations 1987, Heating Appliance (Fire Guards) Regulations 1991, Gas Cooking Appliances (Safety) Regulations 1989, the Defective Premises Act 1972, Occupiers Liability Act 1957 and 1984 and The Landlord and Tenants Act 1985.

## Housing, Health and Safety Rating System for rental property HHSRS

This was introduced in the Housing Act 2004 and replaced the old system of 'fit for purpose' standards with a new system of risk assessment based on five main categories of hazard: Dampness (e.g. excess cold/heat), Pollutants (e.g. asbestos), Environmental (space, security, light noise), Accidents (e.g. falls associated with baths, steps) and Structural (e.g. collapse).

The Homes (Fitness for Human Habitation) Act 2018 strengthens tenants' rights.

Tenants can complain to the Council who are entitled to inspect the property and then enforce a landlord to take remedial action.

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## Building Regulations

Building regulations help to ensure a safe environment for occupiers of all types of buildings. Any building work for example installing double glazing, having a loft extension, or putting openings in between connecting rooms must comply with the current regulations. Building Regulations is completely separate issue to Planning Permission.



Filling materials(s) and covering fabric(s) meet the requirements for resistance to cigarette and match ignition in the 1988 safety regulations

**CARELESSNESS  
CAUSES FIRE**



# Gas, electricity, water and so on

With all our lets the tenant is responsible for the payment of the various services. With the Part Managed and Full Management service we will write to the gas and electricity companies advising them of the change of occupier along with the meter readings. We also write to South West Water and to Plymouth City Council.

Tenants are able to choose the energy supplier of their choice.

Whilst the property is empty and we are seeking tenants, or between tenancies the Landlord is responsible for the utilities and the council tax. Empty properties can be exempt for the first month.

Internet is considered to be a basic necessity these days, but it is not the landlord's responsibility to supply it.

With the increase in 'identity theft' redirecting the post is strongly recommended. A great website which provides a free UK change of address service to over 2000 different companies is [www.iammoving.com](http://www.iammoving.com).



Key meters and water meters are very popular with tenants.





# Who maintains the property?

It is the landlord's responsibility to look after the upkeep of the property. The tenant is responsible for anything other than fair wear and tear. We make periodic inspections for our Part and Fully Managed Properties we can usually identify any problems and take appropriate action.

At the end of the tenancy deductions can be made from the security deposit to pay any compensation for any damages that the tenant may have caused to your home.

Garden areas should be kept tidy by the tenants in keeping with the season, but their gardening abilities may vary considerably. However, if the garden is particularly important, we would suggest that you consider employing a gardener

Tenants are asked to report problems via our online fault reporting system. Depending on the service level we have been appointed we arrange for one of our contractors to visit the property or inform the landlord, so that they can make the necessary arrangements for one of their contractors to visit.

Landlords have a legal duty to attend to repairs within a reasonable time period depending on the type of problem. So, a blocked drain must be dealt with within 24 hours, whereas broken fence panels for example can be replaced less urgently.

Ideally landlords should 'put money away' for repairs and the general upkeep of their properties. One of the biggest frustrations in managing a landlord's property is seeing it generally decline over the years as the landlord takes the cash but doesn't look after their investment.

Things wear out with use. A family will wear a house out quicker than a single person.

Central heating boilers break down. Washing machines expire and cookers suddenly stop working.

Properties need painting - both inside and out.

When we come to deal with the end of tenancies and the issue of wear and tear, reference will be made to the expected life expectancy of an item.

For example, hallways are expected to be redecorated at the landlord's expense every two to three years. If the hall hasn't been decorated then there is no prospect of claiming money from the tenant for marks and scrapes.

Inexpensive white goods have a much shorter life expectancy. Once they have past their expected usage every year is a bonus!

Periodic visits are made to the property and reports submitted to the owners. It is then up to the Landlord to decide whether to have repairs commissioned or not.

Things wear out  
with use.  
A family will  
wear a house  
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a single person.



# Inventories and Schedule of Conditions

It is good practice to provide a landlord and a tenant with an inventory of the property to be let whether it is furnished or not.

An inventory in itself is just a detailed list of items and incorporated within it is a schedule of condition. The schedule of condition is a record of the condition of the property, fixtures fittings and any contents. It will also include a description and condition of the garden, other outside spaces and outbuildings that form part of the property. Inaccessible areas such as attics and cellars are not covered. A good inventory will also include colour photographs to help identify objects, defects and items of interest.

The inventory is kept alongside the tenancy agreement and is used at the end of the tenancy as a reference point to assist in the resolution of any issue relating to missing or damaged property, wear and tear and cost of restitution.

Surprisingly it is not a legal condition to have an inventory. Letting a property leaves the landlord with no hope of gaining compensation if there are problems with damage or loss.

Before a tenant moves into a property for the Part and Full Managed Properties Falcon Lettings will prepare a detailed inventory. The tenant will be supplied with two copies. The significance of the document will be explained to them after which they will be expected to sign an acknowledgement that they have seven days from moving in to notify us of any discrepancy.

At the end of the tenancy, the property is inspected and the contents and condition compared to the moving in inventory.



# The end of the tenancy – dealing with fair wear and tear

## Bringing to an end

The process of ending a tenancy starts by either the landlord or the tenant giving notice to bring it to an end. For the landlord, two clear months' notice must be given. Tenants can give one months' notice, but it doesn't take effect until their rent day. Occasionally, tenants ask to surrender their lease early and this can be done with the agreement of the landlord.

At the end of the initial fixed term of the rental agreement the tenancy does not automatically end. The landlord has the option of renewing the agreement for another fixed term or allowing it to continue as a periodic monthly tenancy. This is an agreement that is open ended and will continue for as long as it suits either party.

## At the end of agreement

Once notice has been given, the tenant will be contacted with instructions on the 'move-out procedure'. In essence we would expect to have the property returned to us in the same clean condition as when it was first let.

All the tenant's possessions should be out of the property, the rubbish removed and if the let was furnished, any furniture returned to the same rooms as mentioned in the inventory.

With our part managed and full managed service, when the tenant has vacated the property we normally carryout an end of tenancy inspection. It is at this stage that any issues identified have to be resolved. In any problem, whilst we are agents for the landlord, we also have to be seen as acting fairly to the tenants. Most problems arise from differing expectations as to what is clean and to what is regarded as fair wear and tear.

If a dispute can not be resolved by us, it has to be handed over to independent arbitration under the terms of the scheme run by The Deposit Protection Service.

Most disputes revolve over the interpretation as to what is 'fair wear and tear'

The two starting points are:

- Tenants are not responsible for any damage caused by 'the reasonable use of the property' (e.g. carpet gets worn from people walking on it) or 'the ordinary operation of natural forces' (e.g. age, sunlight etc)
- The landlord has a statutory obligation for the repair of the property.

In considering the claim the adjudicators will make an allowance for:

- Original age, quality and condition of the property at the commencement of the tenancy
- Average useful lifespan
- Reasonable expected usage of an item
- Number and type of occupants in a property
- Length of the tenants occupancy

The Landlord is not entitled to charge his tenants the full cost for having any part of his property returned back to the condition that it was at the start of the tenancy. 'The Landlord and his agent has a duty to adopt the most reasonable approach and the tenants deposit is not to be used like an insurance policy where you might get full replacement value/new for old'.

There is a duty to mitigate loss. Items will be repaired rather than replaced, cleaned rather than renewed and compensation awarded (for example: for small burn marks compensation is based on the size and position of the burn rather than replacing the whole).

Betterment is to be avoided and if an item is of an age where it would normally need replacing it's value would be nil and no compensation would be paid.

Once the tenant has vacated the property we carry out an end of tenancy inspection.



# ARLA Usual life Expectancy Guides

## Decoration

Hall, Landing Stairs:	Between 2 to 3 years
Living Room:	Approximately 4 years
Dining Rooms:	Approximately 6 years
Kitchen and Bathrooms:	Between 2 to 3 years
Bedrooms:	Approximately 5 years

## Carpets

Budget Quality:	Between 3 to 5 years
Medium Quality:	Between 4 to 6 years
Top Quality:	Up to 20 years

## White Goods

Washing Machines:	Between 2 to 5 years
Cookers/Hobbs/Ovens:	Between 2 to 6 years
Fridges/Freezers:	Between 5 to 8 years

Compensation for damage is normally based on a depreciating scale depending on the life expectancy of an item. So, for a ten-year-old top quality carpet the best one could expect would be half its value. An eight-year-old cooker would be considered to have nil value!

This guidance is based on information from the Deposit Protection Service and ARLA

# Moving your tenant on

Legally there is little you can do if the tenant fails to pay the rent until he/she is over two months in arrears. This is not good news for the landlord!

We would advise you to look at rent protection and legal costs insurance should you want "belt and braces" protection.

If the tenant fails to leave the property after been served a notice to leave, the landlord has to go to court for a Possession Order.

The process is straight forward but takes time and throughout the tenant is allowed to remain in occupation. The costs of going to court are borne by the landlord and realistically there is little chance of getting these back from the tenant – even with a court order. Once a court order has been granted the tenant will be given a date by which they should leave and they can remain in the property until removed by a bailiff. Some tenants who wish to be

re-housed by the council will have to wait until they are evicted before being given alternative accommodation. Where a landlord has to go to court, a delay of three to four months can be expected in gaining possession.

Good referencing can help to avoid problem tenants, but even good tenants can experience an unexpected life changing event which leaves them unable to fulfil their obligations. Thankfully, these problems are rare but they are potential risks to consider.

If you want to move your tenant on whilst they are still within the initial fixed period it can be done but it's not straightforward. The Landlord needs to have 'grounds' to end the tenancy. The law currently specifies these grounds.

Some of these are mandatory – the court must give possession – such as two months' rent arrears on the day of the court hearing and some are discretionary – up to the judge – such as the tenant is not looking after the property.



# Mortgages

## Buy to lets

All mortgages have conditions attached to them and buy to let mortgages are no exception. The usual conditions include using a professional letting agency, using an assured shorthold agreement, and not letting to groups of shares or tenants on housing benefit. The important issue is not to invalidate any insurance by falling foul of either the mortgage conditions or by failing to tell your insurer.

## Home Owner Mortgages

Most building societies insist on being made aware that you are going to let the property. Where the owner has had to move away for work most building societies and banks will agree to the property being let. The majority will charge a small administration fee for this although some can charge a higher rate of interest. Later, it is often possible to convert the mortgage over to a 'buy to let' allowing the owner to buy again for owner-occupation. Not telling your building society that the property is let is not only a breach in the terms of your mortgage agreement, but it could invalidate the buildings or contents insurance.

We will need to see a copy of their letter of consent to let your property before marketing can begin as failure to obtain consent invalidates the terms of the tenancy agreement and will affect notices that may need to be served.



# Taxation

The rent you receive is treated by the Inland Revenue as taxable income and this applies whether you live in the country or not. The good news is that you can minimise your burden by off-setting allowable expenses against the rent. Examples of allowable expenses includes a percentage of your mortgage interest (but not the repayment or endowment element), our fees, our management fees, buildings insurance and most maintenance and repairs costs.

Items which are considered to be a capital improvement – e.g. putting in central heating when there was none before – are not tax deductible.

## Living in the UK

For landlords living in the UK, the rent will be paid direct to the landlord without any deduction for tax. It is then up to the landlord to declare their income in their annual tax return. Periodically, the Inland Revenue contact us for a complete list of our landlords and the rents we have collected for them.

## Overseas Landlords

For landlords living outside of the UK the taxation situation is more complicated. A Non Resident Landlord is someone whose usual place of abode is outside of the UK and this applies if you are out of the country for six months or more.

Normally we will have to deduct tax (at the current basic rate) from the net income paid to you unless we receive authorisation from the HM Revenue and Customs (HMRC) that we can pay the gross rent to you. Non resident Landlords are assessed under schedule D which is classed as 'business profits'. The owner can apply to HMRC using Form NRL1 which we can supply requesting that the rent is paid gross without any deductions on the condition that the landlord will conform with the self-assessment regulations. Falcon Lettings are registered with the HMRC for overseas landlords. Only when we have received confirmation from them can we pay the rent without deduction. Until that confirmation arrives tax is deducted at the basic rate on the whole rent and no allowances are given. Tax is paid quarterly and we submit an annual return for the tax year ending in April. The landlord can apply for the repayment of any tax on submission of their tax form to the HMRC.

Armed Forces personnel also come under the rules for Non Resident Landlords.

Further information can be found at:  
[www.hmrc.gov.uk/cnr/nr\\_landlords.htm](http://www.hmrc.gov.uk/cnr/nr_landlords.htm)





# Are you a member of a professional association?

Falcon Lettings are members of ARLA – the Association of Residential Letting Agents and The Property Ombudsman.

These schemes operate with strict codes of conduct and procedures. These procedures bring peace of mind for potential landlords and is proof of our integrity and professional approach regarding the services that we are able to offer.

All money we receive is placed in secure client's accounts which are audited every year.

Professional Indemnity Insurance is arranged via an ARLA recommended broker and client monies protection insurance is arranged direct with ARLA.

## **The Association of Residential Letting Agents ARLA**

Arbon House  
21 Jury Street  
Warwick  
CV34 4EH

[www.arla.co.uk](http://www.arla.co.uk)  
0845 250 6003

## **The Property Ombudsman**

Beckett House  
4 Bridge Street  
Salisbury  
Wiltshire  
SP1 2LX

[www.tpos.co.uk](http://www.tpos.co.uk)  
01722 333306



## New lettings

### John Coulton

BSc (Hons) MARLA  
- Partner  
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### Tom Warmington

New Lettings Consultant  
tom@falconproperty.com



## Property management and maintenance

### Abi Johns

Property Maintenance Manager  
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## Finance and Accounts

### Claire Coulton

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## Check ins and Check Outs

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## Administrator

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# Falcon lettings

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