

# PRO SPE CT

Landlords Guide



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# PRO SPE CT

# Step 1

## GETTING STARTED

There are many reasons people become landlords and no matter your reason, Prospect is here to help you along your journey.

Whether you've done it a hundred times before, or this is your first step into the world of letting out a property, the ever changing market and often confusing legislation can sometimes be overwhelming and even make it hard to know where to start.

That's where we come in...

The first step on your journey is simple; just book a free, no obligation valuation with us. We will arrange a time convenient with you, for one of our experienced Valuers to come and have a chat with you at your property.

Along with our professional advice on the ever changing legislation, we will show you how important it is that you consider more than just fees when choosing your letting agent.

The right decision now, can save an awful lot of time, trouble and potentially money, further down the line.

### Here are just a few things worth considering:

- ✓ The reputation of each agent
- ✓ Are they all members of a regulatory body?
- ✓ Who has the best local knowledge of your town?
- ✓ Which agent is being successful in the current market?
- ✓ Who has the most let boards around?
- ✓ What does each agent give back to your community?
- ✓ If you were personally looking to rent, who would stand out to you the most?
- ✓ How will they market your property to tenants?
- ✓ Where are their offices, if at all?
- ✓ What happens after you've got a tenant?



“  
*Today*  
THERE ARE A LOT  
MORE OPTIONS FOR YOU  
AS A LANDLORD

”

## Step 2

# WHAT TYPE OF TENANCY IS RIGHT FOR YOU?

When we first opened our doors way back in 1990, it was much simpler to let a property... You'd let your whole property to a family, or a couple and that was about it – easy!

Today there are a lot more options (and legislation) for you as a landlord. You can still let your property as a whole or, if your property suits, you could consider an alternative method that could increase your monthly profit.

Each option has pros and cons and one is likely to be more suitable for you than the other...

### Single Let

Single let doesn't just mean one person will be renting the whole of your property; it means one tenancy – which could be an individual person, couple or family renting the entire property.

Single lets are often less hassle to maintain and are quite a simple investment when looking at sourcing and managing the tenancy. Typically they'll have a smaller return and yield though, so although there's generally less stress, there's less profit too.

### HMOs & Multi Room Lets

HMOs (House of Multiple Occupancy) and Multi Room Lets are both terms for renting out individual rooms and are excellent and popular ways of increasing your monthly profit as good quality, en-suite rooms can secure as much as £650pcm!

Room rentals do involve a lot more management of the property though and mean you'll need to find multiple tenants to fill every room too. With a higher turnover of tenants, ongoing maintenance costs are also a key consideration when thinking of room rentals.

Now you may not be interested in this type of let, which is no problem! We have succeeded in letting literally thousands of properties in the traditional way - and we will do the same for you too. We just want you to be aware of all your options, otherwise, we wouldn't be doing our job properly!

As with all types of letting, there are laws and regulations you must abide by, so even when renting out just a room, it's important to speak to the experts (Hello!) and get clear, correct and current advice.

# Step 3

## CONSIDERING OUR TIERS OF SERVICE

We understand that not every landlord needs or want the same level of service – why would they? Everyone has different needs, right?

That's why we offer four Tiers of Service. Created to suit everyone from the 'hands-on' to the 'armchair' landlord, there'll be a service there to help you as much, or as little, as you'd like.

SERVICES	LET ONLY	RENT COLLECT	MANAGED	OVERSEAS
Comprehensive marketing - professional photography & floor plans & tailored advertising	✓	✓	✓	✓
Finding a tenant - conducting viewings & negotiating offer	✓	✓	✓	✓
Obtain references and Right to Rent legislation	✓	✓	✓	✓
Draw up and get signed Tenancy Agreement	✓	✓	✓	✓
Collection of first months rent and register deposit with TDS	✓	✓	✓	✓
Arranging and managing inventory / check-in / check-out	✓	✓	✓	✓
Annual rent & property valuation review	✓	✓	✓	✓
Re-market property 2 months before end of tenancy	✓	✓	✓	✓
Online management of portfolio & monthly statements through our 'Landlord Tracker'		✓	✓	✓
Collect rent and chase any rent arrears		✓	✓	✓
Transfer of utilities at start & end of tenancy		✓	✓	✓
Prospect take legal responsibility and arrange gas, electrical & EPC certificates			✓	✓
Prospect to take responsibility of compliance whilst informing you of legislation updates & legal advice			✓	✓
Annual statement prepared for you and your tax advisor			✓	✓
Prospect to serve notices and documentation in-line with legislation			✓	✓
Property inspections every 6 months			✓	✓
Allocated Property Manager for you and your tenant			✓	✓
Access to 24 hour emergency maintenance request line & online portal for your tenant			✓	✓
Arranging maintenance with fully approved contract panel and arranging payments to suppliers			✓	✓
Prospect negotiate deductions from/return of deposit at end of tenancy			✓	✓

“ WE OFFER FOUR TIERS OF *Service* CREATED TO SUIT EVERYONE ”





Target marketing to attract the best Tenants



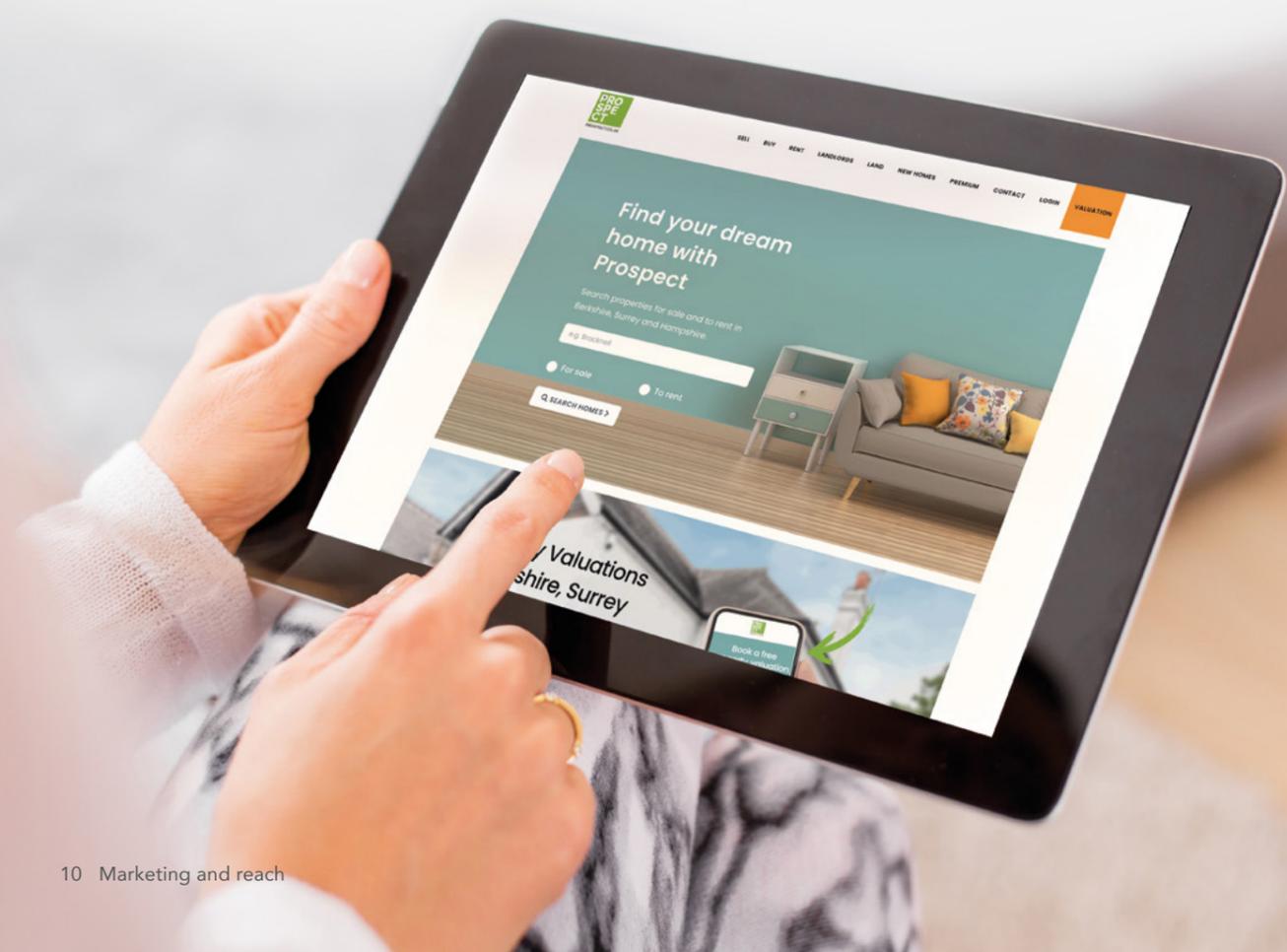
Professionally designed property details



Innovative property website



High Street dominant marketing



# Step 4 MARKETING AND REACH

**Your property should be celebrated - and that's exactly what we'll do!**

We're passionate about property and know what tenants need to help them find the property that's right for them.

Our technology leading approach to targeted marketing helps us get your property in front of tenants looking to move into a property just like yours. We actively go and find you a tenant, sometimes before they even know they're looking!

We show off your rental property with beautifully designed property details. Featuring professional photography and refreshing descriptions that actually highlight the key points, your tenant will fall in love as soon as they see and read it!

Online your property will capture their attention with full screen photos, quick key feature boxes and detailed descriptions. Not to mention we even show local information points, such as schooling, stations and healthcare close to your property. Everything your tenant needs to know.

Your property will reach even further with our featured adverts on all the major property portals and our association with LonRes and the Mayfair Office in London, attracting tenants from the city and across the globe.

When we market your property we will celebrate its best features to the right people, in the right places, at the right times!

# Step 5

## PREPARING TO LET

It's important to plan ahead and think about putting your property on the market, so here are the key points you need be aware of and the actions to take.

As a Landlord you do have some legal obligations, which you cannot ignore. It's easy when you know how and we do! So don't worry, we'll guide you through it all.

Here are the main things you need to be aware of – please remember if you have chosen to go for a different approach such as HMOs or Multi Rooms Lets, then there will be additional things we will guide you through.

### Safety Regulations

Regardless of how involved in your future let you want to be, you are responsible for complying with all Health & Safety aspects of your property prior to marketing.

These include full compliance with:

- ✓ The Furniture and Furnishings (Fire) (Safety) (Amendment) Regulations 1993
- ✓ Electrical Equipment (Safety) Regulations 1994
- ✓ Gas Safety (Installation and Use) Regulations 1998
- ✓ Part "P" Building Regulations (Electrical Safety in Dwellings)
- ✓ Smoke Alarms and Carbon Monoxide Alarm Regulation 2015
- ✓ Legionnaires Disease
- ✓ Disability Discrimination Act
- ✓ Internal Blinds and European Safety Standards

You're also legally required to produce an Energy Performance Certificate (EPC).

Legally we are unable to even start marketing your property until you have one of these. So it's best to get one sorted straight away. If you haven't got one, just let us know and we can arrange one for you.

### Term of Tenancy

Have you thought about how long you'd like to rent out your property for? Most tenants will look for a 12 month or longer term tenancy and you'll need to know what term you want prior to marketing, so we can ensure we get you the right tenants for the right length of time!

Of course, we can always add an early termination (break) clause to any tenancy. If everyone's happy, all contracts can be renewed after the initial term.

### Furnished or Unfurnished

'Do furnishing make a difference?' Is one of our most popular questions and honestly, not massively! Yes there is a small premium for furnished property, but it is all dependent on the property type. More often than not, there won't be much rental increase. So we recommend making that choice personally, so if you have furnishing already in the property, then great! If you don't, no need to break the bank on furnishings.

If you're thinking about renting your property as separate rooms, it's a different question.

They're often expected to be furnished and those done to a high standard will fetch a higher rental price. So in this case, it is definitely worth spending a little bit more on furnishings.

If you do have furnishing in the property, you'll need to ensure this is compliant under the Fire and Furnishings Regulations 1993.

### Appliances

It's likely you'll have white goods in the property, so these and any additional appliances, must be in good working order and be in line with all relevant safety regulations.

We recommend leaving all related manuals in the property too. This helps your tenant not spend the first night in their new home trying to work out how to get the hot water working!

### Professional Clean

Prior to your tenants moving in, we recommend you instruct a professional clean of the property. This ensures there's no complaints when they move in and by doing this, the tenant must also have a full professional clean of the property before they leave.

### Non-Resident Landlord Scheme

If you'll be living abroad, or already are, whilst your property is let out you'll need to register with the Non-Resident Landlord Scheme with HMRC, to ensure the tax on the income you get from renting out a property is paid. If you become a Fully Managed landlord, we will ensure you're set up with the scheme and monies are paid every month, without you having to worry about a thing.





## Step 6

# THE KEY TO SUCCESS

The key to success is really showing your property off so it stands out from all other properties.

We take high quality photos and ensure everyone sees them, but before we take them we need your help...

If you can, a quick lick of paint will freshen up every room and help brighten all photos. Look at the colours on the walls, clichéd as it is, neutral colours make rooms feel bigger, lighter and more appealing.

Any small DIY jobs you keep meaning to get done are also worth doing! If you notice them, it's likely a prospective tenant will too and that might just make the difference between them choosing your property, or the house four roads down.

If the property is furnished then 'dress' the property. Make sure all beds are made, the washing up is away and everything is looking neat and tidy. Definitely worth getting the Hoover out!

The lettings market can be really fast paced and we've experienced on many occasions properties letting in as little as 24 hours, due to them being in such desirable decorative condition.



Advice on property presentation



Professional photography



Highlighting key property features

# Step 7

## AGREEING YOUR OFFER

A big part of our service to you is actually ensuring any potential tenants can afford your property.

We'll aim to provide you with several offers, though we can't promise that. We can promise that all offers you do get are from extensively vetted tenants.

Our extensive vetting process starts before any form of referencing takes place and is your peace of mind. It includes:

- ✓ Affordability and suitability checks before tenants view your property
- ✓ Confirmation that tenants' move in time-scales meets your requirements
- ✓ Right to Rent checks
- ✓ Taking a holding deposit to show tenant's commitment
- ✓ Giving you time to reflect on an offer, so you don't have to make a rushed decision
- ✓ Giving you the opportunity to receive multiple offers

As well as all of the above, once you accept an offer, regardless of whether you've opted for one of our Property Management services, we will:

- ✓ Collect references from the tenants
- ✓ Arrange the signing of Tenancy Agreement
- ✓ Collect moving-in payment (rent + deposit)

If you've still not arranged all of your Health & Safety Checks or haven't finished those bits of DIY, we can also:

- ✓ Get your property ready for move-in\*
- ✓ Carry out check-in and inventory\*
- ✓ Organise Gas Safety Inspection and Portable Appliance test\*
- ✓ Arrange professional cleaning of your property\*

For that extra peace of mind, where possible, we can also arrange to hold the deposit for you and register this with a Deposit Protection Scheme. This means the deposit is secure and will result in a faster and more efficient deposit release process at the end of the tenancy.





## Step 8 MOVING IN PROCESS

Our service doesn't stop once we've found you a tenant, in fact, quite the opposite.

After we have agreed the length and conditions of your tenancy and started the referencing process, both you and your tenant will be introduced to a sole point of contact in our award-winning Property Management team.

Your personal Property Manager will start by guiding you both through the whole move in process and the tenancy agreement. They'll be fully aware of any negotiations agreed at the time of offer and where needed, will coordinate any works required.

They will also discuss the importance of an Inventory and Check in Report and can arrange these on your behalf if you so wish.

You will receive the tenancy agreement digitally for signing. The easy to use system will guide you through all sections you need to sign or initial – please take the time to read this document in full though, as this is your legal contract with the tenant.

Once the tenancy agreement has been signed by all parties, you will receive a digital copy for your records. Depending on the Tier of Service you opted for, this will also be saved on the Cloud, so you can access it at any time from your Landlord Tracker.

We'll then ensure any works are completed prior to move in, the Inventory has been done and also ensure the Check in Report is conducted as the tenant moves into the property. We also provide your tenants with a 'Move in Pack' on the day they get their keys, which is their contact guide throughout their whole tenancy.

After your tenant has moved in, we give them a courtesy call to ensure they've got everything they need and to see if there are any problems, which with our extensive move in process, there certainly shouldn't be.

Now you can sit back, relax and wait for the rent to come in every month!

# REFERENCING AND CREDIT CHECKS

Once an offer has been agreed the real referencing then begins. We work in conjunction with one of the leading referencing agencies in the UK to provide you with complete confidence in the tenants moving into your property.

From a comprehensive credit report, employment reference, Right to Rent checks, previous landlord reference, to verified bank statements, we will know whether the tenant is likely to pay the rent on time every time and have a good indication if they may cause a problem of any kind.

We'll discuss everything with you in detail, guiding you through what each check means and the results seen. You can then make an informed decision on that tenant and if you're comfortable with them moving into your property.

If at any stage there's anything you're unsure about, or something that raises alarm bells, we can seek further references from the tenant or start marketing your property again, at a click of a button!





# PROPERTY MANAGEMENT & ACCOUNTS

All of our Property Managers are ARLA qualified and undertake qualifications with the National Federation of Property Professionals (NFOPP). You can have complete confidence that your Property Manager knows every aspect of the letting process.

We offer four tiers of management service, so you can decide which service meets your specific requirements. Each service allows a different level of involvement from you, so if you want to be hands on, or sit back and let us manage your property, we have a service for you!

We strongly recommend our Fully Managed service as this means we can oversee everything throughout the tenancy. From maintenance checks and refurbishment solutions, to informing you of the latest legal requirements, we will do all the hard work for you.

We'll also keep you up to date with any new legislation or changes to legislation, to ensure you don't encounter any legal problems.

Sometimes problems may occur outside of normal working hours, so another benefit of our Fully Managed service is our 24 hour emergency helpline. Going direct to our Property Management team, we can deal with the problem there and then, arrange any works where necessary with our approved contractors and all without waking you up at 3am!

Interim Property Inspections should be conducted throughout a tenancy to check that the property is kept in good order. We work closely with EZ Property Reports and our fully managed landlords benefit from an Interim Property Inspection after 2 months of any tenancy and subsequently every 6 months following that.

These comprehensive reports allow you and us to keep close tabs on the state of your property and to be able to act fast if anything isn't as it should be.

Don't take the risk with your property, trust in our expert Property Management team to take the stress away and handle the whole tenancy for you.

# BUSINESS PARTNERS

We work with some of the top companies across the UK so you can trust in every service we provide. Protecting deposits, we only work with the best.

 <b>Reapit</b> Reapit is the industry leading cloud based estate agency software. By using Reapit we are able to manage every aspect of your property marketing and tenancy in an efficient manner. Seamlessly integrated with the Landlord Tracker, you'll always be kept 'in the loop' when letting with Prospect.	 <b>EZ Property Reports</b> Working alongside EZ Property Reports we provide comprehensive Inventory, Check In and Check Out Reports with plenty of photos. Sent to all parties electronically and stored within your Landlord tracker, you can rest assured we're on top of every aspect of your tenancy.	 <b>ARLA Propertymark</b> Every member of our Lettings and Property Management teams is ARLA Propertymark qualified, which is the highest governing body and training available for the Lettings industry. Giving you complete confidence in the advice and guidance we give to you.
 <b>Goodlord</b> We work with Goodlord who is an award-winning lettings platform that can manage the entire tenancy process in one place, from sending the offer letter through to rent collection, saving your agency time and money, guaranteed.	 <b>TDS</b> TDS is the longest running tenancy deposit scheme in the UK and we work closely with them to ensure all of our Tenants deposits are protected throughout a tenancy. Backed by Propertymark, NRLA and ARLA they offer guidance and support should a claim need to be made.	 <b>Property Maintenance People</b> Property maintenance issues can happen at any time of the day, which is why we work alongside PMP to offer a 24 hour emergency call services. Our verified and approved team of contractors, are on hand to help you through any maintenance issue.

# SMART SOLUTIONS

When it comes to letting out a property it's important to make sure you're protecting yourself and your property.

That's why we've teamed up with Goodlord to provide you and your tenants with Rent Protection Insurance and absolute transparency.

## Section 21 Protection

Unfortunately there are some unscrupulous tenants and no matter how many thorough checks we do, occasionally a tenancy can turn sour. Section 21 protects you from the worst case scenario. If a tenant refuses to leave a property and a section 21 notice is served correctly, all legal costs incurred will be covered.

If it does get to this stage, it can be costly, so this protection is additional peace of mind for you in case we do encounter one of those 'once in a blue moon' situations.

## Rental Protection

A Tenant's circumstances can change during a tenancy and this could be for many reasons such as illness, redundancy or a relationship breakdown. Even with the most thorough of referencing, events like these cannot be foreseen.

This is why we have introduced the Rent Protection Insurance scheme. This gives tenants the cover they need whilst making sure that you as our Landlord, are covered for any unexpected events such as non-payment of rent, or the need to evict a tenant following unpaid rent.

## Legal Protection

As mentioned above, whilst we will always ensure that thorough checks are carried out on your tenants prior to a contract been signed, we cannot determine if there will be a change in the tenants personal circumstances in the future. What we can do is ensure that you are protected for any eventuality! With our legal protection you will have access to full legal cover should you need to evict a tenant either for non-payment of rent or breach of contract - giving you piece of mind that you will not have to incur additional costs to instruct a solicitor / legal team.



# LANDLORD TRACKER

Once you've instructed Prospect to market your rental property, you will benefit from the convenience of our Landlord Tracker\*.

Regardless of how many properties you have with us, our Landlord Tracker gives you all the key information you need in just one click, from your phone, tablet or PC, including;

- ✓ View & download rental statements and payment
- ✓ View and download tenancy agreements and legal documents
- ✓ View all work orders and download invoices
- ✓ Rent collections
- ✓ Marketing updates, booked viewings and feedback
- ✓ View all meter reading
- ✓ Forthcoming milestones, including end of tenancy and gas safety

This innovative tool for Landlords will allow you to keep up to date with your property portfolio, at any time, in any place. Perfect for busy landlords!

\*Fully Managed and Rent-Collection Landlords only



# Proud? OF COURSE WE ARE...

The most important thing to our business is you, our customer. We are really proud of our numerous industry awards but more important than them is our thousands of happy movers and positive customer reviews.

We know we're not perfect, no one is, but we listen, care and are continuously striving to raise the bar within estate agency and customer experience.



**Tenant**

I've just had an offer accepted to let a 2 bed flat through Prospect this year, and have only good things to say about the company and its agents.

I reckon I've called on almost every agent in Reading at this point, and the professionalism, responsiveness and honesty displayed has been top-flight throughout a very slick process. From the big things, like keeping an active, sizeable and appropriate portfolio of properties at the ready and responding quickly to questions, to the little ones like a bottle of cold water on a hot day, the Prospect crew have made a tricky process as easy as it could be. Full marks from me.

Looking forward to my flat, and if you're looking to rent in Reading, I can wholeheartedly recommend giving these guys a call.

**Google (5 star)**

**Landlord**

I've had a brilliant experience working with and partnering with Harry at Prospect Estate Agents. He helped us rent our property and not only managed to get the best price, he has provided invaluable advice and guidance on how to approach renting our property. He has an incredible amount of knowledge in the local area and has gone above and beyond supporting us to rent our property. I would encourage any prospective tenants or landlords to reach out and work with Prospect.

**Google (5 star)**

**Landlord**

These Agents are real professionals and at the same time human beings. I bought a property through Prospect in 2016 and was so happy with the service I stayed with them when I eventually moved on to letting the property. There are many other estate agents in the Camberley area but five years later I wouldn't change my allegiance. These guys really work hard, earn their fee and are also willing to think outside of the box and go above and beyond the call of duty to make sure the service is individually tailored to needs. We have built good quality relationships of trust professionalism and flexibility over the years, which I value.

**Google (5 star)**

**Tenant**

Sasha and Chloe of Prospect have been of great help to us. They are always trustworthy and give their best to clients. Thanks Chloe for helping us fix the boiler during cold winter, working even at late hours just to make sure someone would come in to repair. Sasha is always friendly and would promptly respond to our requests, got them sorted out without delay. Very impressed with their great work! They are just outstanding!

**Trustpilot (5 star)**

**Landlord**

Very happy with Agnese's professionalism and highly efficient service. At resolving issues, she takes great care to look after the interests of both tenants and landlords in a balanced way, and communicates clearly and timely throughout. I'm very positively impressed and would absolutely recommend!

**Trustpilot (5 star)**

**Landlord**

Prospect have always been good, I am a landlord and they follow through exceptionally. They keep on top of the paperwork and of what is happening with the tenancy.

**Trustpilot (5 star)**

# GLOSSARY OF TERMS

## A

### Agents

Responsible for the buying, selling and letting of property. More commonly known as Estate Agents.

### Alternative Dispute Resolution Service (ADR)

The ADR service resolves disputes over deposits between landlords and tenants. The service is available once a landlord has entered into one of the Deposit Protection Schemes, which all landlords are required to do by law after accepting a deposit from a tenant.

Providing both the landlord and tenant agree to use the ADR service to solve a deposit dispute, then the service’s decision is final. The deposit will be returned to the landlord or tenant or in some cases both, based on the ADR service’s decision.

### Appraisal

When selling or letting a property an estate agent will appraise the property to determine a current value for it.

### ARLA

The Association of Residential Letting Agents is the professional and regulatory body for letting agents in the UK.

### Arrears

Amount of rent overdue as a result of being behind with payments.

### Assured Tenancy

An assured tenancy is a type of residential tenancy in England and Wales that grants a degree of security of tenure to the tenant. A tenant under an assured tenancy may not be evicted without a reason and the rent under the assured tenancy will frequently fall under the supervision of a Rent Assessment Committee.

### Assured Shorthold Tenancy

An Assured Shorthold Tenancy is the most frequently used tenancy agreement by landlords when letting residential properties. This type of tenancy agreement is also referred to as an “AST” or “Shorthold Tenancy”. For further information read our Introduction to Assured Shorthold Tenancies.

## B

### Bailiffs

Bailiffs are officers of the court, who can in certain circumstances be used by creditors to enforce judgments by collecting debts and repossessing homes or goods.

## C

### Capital

The amount left on a mortgage from which interest is calculated.

### Chain

The line of buyers and sellers linked together in the process of moving house. For example, a person selling a home is often looking to buy a home at the same time, as is the person whose house they are looking at buying. The longer the chain the less likely it is that the sale will go through.

### Company

A legal entity engaging in business. There are a number of types of companies but in the UK the most common is a private limited company.

### Conveyancer

A qualified individual, either a solicitor or licensed Conveyancer who deals with the legal aspects of moving the legal ownership of a property from one person to another [Conveyancing].

### Conveyancing

Legal work involved in buying and selling a house.

### Covenants

The terms of a tenancy agreement, or the rules governing a property.

### Custodial Deposit Protection Scheme

This is a deposit protection scheme into which landlords are required to pay deposits, within fourteen days of receipt from the tenant. The deposits are held by the scheme until the end of the tenancy. There is no charge to the tenant or landlord when using this type of scheme, as the interest which accumulates on the deposit whilst held pays for the running costs of the custodial scheme.

## D

### Deed

A deed is a legal document signed, sealed and delivered to convey the transfer of a property and to show the legal right to possess it. Different from a Deed

Poll which is executed by only one party and usually used to change one’s name.

### Deposit

In a rental agreement this is the money that a tenant is required to pay a landlord before moving into a property. It is typically one or two months’ rent. Under new rules tenants’ deposits must be protected.

## E

### Energy Performance Certificate (EPC)

An EPC or Energy Performance Certificate provides an energy performance rating for a building.

### Estate

Refers to both the property and the possessions of a deceased person.

### Estate agent

A property professional responsible for the buying, selling and letting of property.

### Exchange of Contracts

The point at which buyer and seller are legally bound to the sale and purchase of the property.

## F

### First time buyer

A buyer who has not previously purchased a property.

### Fixed Tenancy

A fixed tenancy runs for a fixed period which is agreed in the rental agreement (usually six months or one year). A tenancy could be fixed term even if rent is paid each week. If the fixed term ends and no new tenancy agreement is drawn up then the tenancy agreement becomes a periodic tenancy.

### Freehold

Absolute ownership of property and land.

## G

### Guaranteed Possession

This refers to an Assured Shorthold Tenancy, where after the initial agreed period, which is usually six months, the landlord has the right to repossess the property, under the Housing Act 1988.

### Guarantor

A person who guarantees to pay rent or mortgage payments should the tenant fail to do so and who takes legal and financial responsibility for any damage which may occur to the property.

### Guide Price

The price that a property is likely to sell/let for.

## H

### HMO

A House in Multiple Occupation, which could be any of the following:

- a house split into separate bedsits
- a shared house where occupants have separate tenancy agreements (including student house shares)
- a hostel that isn’t only used for holidays
- ‘bed and breakfast’ accommodation that isn’t only used for holidays.

### HSE

The Health and Safety Executive is a governmental organisation that works to to protect people against risks to health or safety arising out of work activities. Some HSE regulations apply to residential properties.

### Housing Health and Safety Rating System (HHSRS)

The HHSRS is an official procedure for assessing the health and safety risks in residential properties in England and Wales. The regulations, which came into force in 2006, identify 29 specific hazards. When properties are found to have the highest level of risks, councils have a statutory duty to take enforcement action against the property owners.

## I

### Insurance Based Deposit Protection Scheme

This type of deposit protection scheme requires the landlord to register the deposit with an insurance based scheme, within fourteen days of receiving the deposit from the tenant.

The insurance scheme will register the deposit and the landlord will then retain the deposit for the duration of the tenancy. The insurance based scheme means that the tenant has a guaranteed right to receive the deposit back at the end of the tenancy, provided they are entitled to it. There is a fee for a landlord to join an insurance based scheme, which is set by the particular scheme chosen.

## J

### Joint Tenancy

When two or more people rent or own a property together.

## L

### Land Registry

Land Registry is a government department responsible to the Lord Chancellor. It is responsible for keeping and maintaining the Land Register of England and Wales. The department registers title to land in England and Wales and records dealings such as sales and mortgages with registered land. Conveyancers will request searches from the Land Registry as part of any property transaction.

### Laws of Intestacy

When a person dies the Laws of Intestacy will dictate who will inherit their house if they have not made a will to express their wishes.

### Lease

Document in which the owner of a freehold property lets out their premises to a named party at a certain price and for a specified time.

### Leasehold

The ownership of a lease.

### Lender

A person or company that lends money for an agreed time period. They expect to have the money repaid with interest added. A mortgage company is an example of a lender.

### Lender’s Arrangement Fee

A charge made by the lender to the buyer for arranging the loan.

### Lessee

A person who leases a property as a tenant.

### Lessor

A person who grants a lease of property as a landlord.

## N

### Non-Resident Landlord (NRL)

A landlord who lives abroad for more than 6 months of the year.

### NRL Scheme

A scheme to collect tax from non-resident landlords

## O

### Offer

An offer, made on a property for the landlord to consider.

### Off-Plan

When a property is bought before the building work has begun, or has been completed.

### Oral Tenancy Agreement

A legal agreement between landlord and tenant, where no written contract is used but the terms of the tenancy are discussed and agreed verbally. This is also referred to as a Verbal Tenancy Agreement.

### Periodic Tenancy

A periodic tenancy rolls from week to week, or month to month. This includes tenancies that were originally for a fixed term that have ended and no new fixed term agreement has been drawn up. If you have a periodic tenancy the rules regarding how it can be ended are different compared to those for a fixed tenancy.

**Public Liability Insurance** which covers any injuries or deaths to anyone in or around your property.

## R

### Record

This could be a written document that provides proof of a transaction, a birth certificate or anything that can provide information about past events.

### Redemption

When a mortgage is paid off in full.

### Regulated or “Protected” Tenancy

This is a type of tenancy agreement which is likely to be in place if a tenant began renting a property before the 15th January 1989. This form of tenancy provides the tenant with the most protection against eviction and increased rent.

## Rent

An agreed charge for the use of an asset, usually property.

### Rent Assessment Committee

A committee consisting of a panel of three people - usually a lawyer, a property valuer and a lay person - that decides on a reasonable market rent for a property. A Rent Assessment Committee may be used by a tenant who feels their rent is excessively high compared to similar properties in the area or if their rent increases. The committee is responsible for deciding the highest legal market rent a landlord may charge.

### Rental Agreement

More commonly referred to as a Tenancy Agreement, it is a legal document setting out the terms and conditions of the agreement.

### Repossession

When the mortgage lender takes away your home because you have fallen too far behind on your mortgage repayments.

## S

### Section 8 notice to quit

A ‘Section 8 Notice to Quit’, so called because it operates under section 8 of the Housing Act 1988, is the notice a landlord can give to a tenant to regain possession of a property during the fixed term of an Assured Shorthold Tenancy if the tenant is in breach of certain rules.

### Section 21 notice to quit

A ‘Section 21 Notice to Quit’, so called because it operates under section 21 of the Housing Act 1988, is the notice a landlord can give to a tenant to regain possession of a property at the end of an Assured Shorthold Tenancy.

### Sole Agent

When there is only one agent responsible for selling a property.

### Stamp Duty

Tax that must be paid to the government on the purchase price of property.

### Statement of Terms

A tenant may request the landlord to provide written proof of the terms of the tenancy agreement if an oral or verbal tenancy agreement is used. The terms agreed are known as a Statement of Terms.

### Surveyor

The person who carries out a structural survey of a property, examining the structure and general state of the house.

## T

### Tenancy agreement

A legal agreement to protect the rights of the tenant and landlord and setting out all the terms and conditions of the rental arrangements. Sometimes referred to as a ‘rental agreement’.

### Tenancy

A temporary possession of a property owned by another person or party.

### Tenancy Deposit Protection Scheme

This scheme was introduced through the Housing Act 2004, to ensure that tenants receive their deposits back, when entitled to them. The scheme requires all landlords and letting agents to protect the deposits they receive from tenants, by entering into one of the government based Deposit Protection Schemes. For further information you can read the following Guide to Tenancy Deposit Protection.

### Tenant

One who has paid for the right to occupy a property owned by another party.

## V

### Valuation Survey

The survey undertaken on behalf of the lender to ensure the house value is high enough to secure against any mortgage.

### Verbal Tenancy Agreement

This is a legal agreement between landlord and tenant, where no written contract is used but the terms of the tenancy are discussed and agreed verbally. This is also referred to as an Oral Tenancy Agreement.

### Aldershot

175 Victoria Road, Aldershot, Hampshire. GU11 1JU  
01252 333 391 | aldershot@prospect.co.uk

### Bracknell

36 High Street, Bracknell, Berkshire. RG12 1LL  
01344 577 849 | bracknell@prospect.co.uk

### Camberley

38 York Town Road, Sandhurst, Berkshire. GU47 9DT  
01276 427 959 | camberley@prospect.co.uk

### Crowthorne

79 High Street, Crowthorne, Berkshire. RG45 7AD  
01344 577 839 | crowthorne@prospect.co.uk

### Farnborough

27 Victoria Road, Farnborough, Hampshire. GU14 7NT  
01252 267 222 | farnborough@prospect.co.uk

### Maidenhead

59 High Street, Maidenhead, Berkshire. SL6 1NH  
01628 563 777 | maidenhead@prospect.co.uk

### Mayfair

Cashel House, 15 Thayer Street, London. W1U 3JT  
01628 397 609 | info@mayfairoffice.co.uk

### Reading (Head Office)

24 King Street, Reading, Berkshire. RG1 2HE  
0118 997 6009 | reading@prospect.co.uk

### Sandhurst

38 York Town Road, Sandhurst, Berkshire. GU47 9DT  
01252 267 719 | sandhurst@prospect.co.uk

### Warfield

11 County Lane, Warfield, Berkshire. RG42 3JP  
01344 577 829 | warfield@prospect.co.uk

### Winnersh

399 Reading Road, Winnersh, Berkshire. RG41 5LT  
0118 997 6019 | winnersh@prospect.co.uk

### Wokingham

12-14 Broad Street, Wokingham, Berkshire. RG40 1AB  
0118 997 6029 | wokingham@prospect.co.uk



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