



LANDLORD INFORMATION PACK

MEMBER OF THE SCOTTISH ASSOCIATION OF LANDLORDS



WE'RE YOUR LOCAL EXPERT

LARN - 2211011

INTRODUCTION

KnightBain provide comprehensive letting and management services allowing the landlord to take a back seat, fully confident that their property, tenants and investment are in safe and professional hands.

As a family run business, we are extremely proud of the services we offer. We have surrounded ourselves with a highly effective and well trained team to look after all of your landlord needs. Whether you want us to take care of everything, including the day-to-day management and supervision of your property, or you simply want us to Let your property, we will ensure that your tenants have been properly referenced and all necessary legal documentation has been taken care of.

We know that effective communication with our landlords and tenants is the key to good relationships and as such you can rest assured that we will keep you informed of every new development as soon as it happens. That way, you can be confident that any problems will be resolved as quickly as possible, keeping your tenants happy and your property let.

We ensure that all rental payments are paid promptly and efficiently, and that when the time comes to find new suitable tenants you can rest assured knowing that our extensive knowledge of the West Lothian property market coupled with our quality marketing strategies will effectively attract new tenants.

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LANDLORD INFORMATION

KnightBain will ensure that our landlords maximise the earning potential of their property and efficiently manage the tenancy to eliminate any potential issues whilst optimising performance.

Our comprehensive services include:

- Providing a rental valuation, with researched comparisons
- Promoting your property to find a suitable tenant
- Supervising all viewings by prospective tenants
- Checking references and credit rating for all prospective tenants
- Preparing lease and legal statements
- Arranging compliance to health and safety regulations
- Arranging insurance for your property, furnishings and fittings
- Contacting utility companies and local council tax authority
- Regular property inspections
- Monthly client rent statements



FINANCIAL INFORMATION

Inform your Mortgage Lender

If you do not have a Buy-to-Let mortgage you must inform your mortgage lender that you want to rent your property. If you don't, renting out the property may breach the terms of your loan. If you do not tell your mortgage lender they may 'call up' the loan resulting in the repossession of your property.

If you wish, we can instruct our Independent Financial Advisor to give you a call to discuss your mortgage in greater detail.



Non-Residents Landlord Scheme

The scheme requires UK Letting Agents to deduct Basic Rate Tax from any rent they collect for Non-Resident Landlords. Eligible Landlords can apply at any time for approval to receive their UK rental income with no tax deducted.

Tax Implications

Your Rental Income counts as Taxable Income. For more information please check with HMRC or your accountant about how tax is calculated on rental income.

For more information visit
<http://www.hmrc.gov.uk/international/nr-landlords.htm>

HEALTH & SAFETY

All KnightBain managed properties MUST comply with the health and safety criteria

Gas

- To ensure compliance with Gas Safety (Installation and Use) Regulations 1994, all gas appliances in rental properties must be checked annually by a Gas Safe registered engineer. Gas safety inspection certificates and minor work certificates for any remedial work completed must be retained for two years.
- KnightBain will arrange annual gas safety inspections on your behalf and retain records to comply with regulations.
- Solid State Carbon Monoxide detectors should be fitted in all rooms with gas appliances.
- We recommend that all landlords have annual service agreement for maintenance of gas appliances.

Electricity

- All properties must have a valid ELECTRICAL INSTALLATION CONDITION REPORT (E.I.C.R.) and PORTABLE APPLIANCE TEST (PAT).
- E.I.C.R should be completed the start of every tenancy and at least every five years to ensure that electricity supply complies with BS and EU regulations. Portable Appliance Test should be completed every year and ensures that all electrical equipment is fit for use and complies with BS and EU regulations.
- KnightBain can arrange both E.I.C.R. and PAT certification on your behalf.



HEALTH & SAFETY



Fire Safety

The revised Domestic Technical Handbook guidance requires:

- One functioning smoke alarm in the room which is frequently used by the occupants for general daytime living purposes.
- One functioning smoke alarm in every circulation space, such as hallways and landings.
- One heat alarm in every kitchen.
- Alarms to be interlinked.

Legionnaires Disease

What is Legionnaires' disease?

Legionnaires' Disease is a pneumonia like illness caused by the Legionella bacteria and can be fatal. The infection is caused by breathing in small droplets of water contaminated by the bacteria. The disease cannot be passed from one person to another.

Legionella bacteria are found in the natural environment and may contaminate and grow in water systems, including domestic hot and cold water systems. They survive low temperatures and thrive at temperatures between 20 - 45°C if the conditions are right. They are killed by high temperatures of 60°C or above.

Risk Assessments

Landlords are under a duty to ensure that the risk of exposure to tenants, residents and visitors by Legionella is properly assessed and controlled.

HSE Guidance

HSE have published detailed guidance and the relevant extract relating to residential accommodation is available at

<http://www.hse.gov.uk/legionnaires/what-you-must-do.htm>

Effective 4 January 2009 it is a legal requirement that all properties that are marketed TO LET must display an Energy Performance Certificate (EPC) that can be reviewed by any prospective tenant.

ENERGY PERFORMANCE CERTIFICATION



The Energy Performance Certificate is a document which states the energy efficiency of a property. The rating measures the energy and carbon emission efficiency of your property using a grade from A to G, an A rating is the most efficient, while G is the least efficient.

The chart looks similar to those supplied on electrical appliances, like fridges and washing machines, please refer to the image above.

The certificate shows how current energy efficiency and carbon dioxide emissions compare to the potential figures that your property could achieve based on recommended energy saving measures.

You don't have to act on the recommendations in the recommendation report. However, if you decide to do so, it could make your property more attractive for sale or rent by making it more energy efficient.

The certificate must be displayed at the property and is valid for a period of 10 years. A suitable location could be in a cupboard containing the gas or electric meter or the water supply stopcock.

KnightBain will arrange the Energy Performance Assessment prior to marketing your property TO LET using our preferred accredited energy assessor.

LANDLORD & TENANT INSURANCE, AND REFERENCING



Landlords Buildings Insurance

It is a legal requirement for landlords to have adequate provision for Buildings Insurance in place. General Buildings Insurance is not sufficient for let properties. Having specialist landlords buildings insurance ensures you limit your exposure to risk and thereby protecting your financial well-being.

We have partnered with Let Alliance to provide our landlords with extremely competitive rates for buildings insurance. Please ask us to instruct our partners to give you a call for a no obligation buildings insurance quotation.

Landlords Contents Insurance

Whilst not a legal requirement for landlords to have contents insurance in place it is considered best practice. Even if you offer the property as unfurnished there will be several items that would not be covered with buildings insurance alone. Items such as kitchen white goods, curtains & blinds etc would all be covered with contents insurance. Please ask us to instruct our partners to give you a call for a no obligation contents insurance quotation.

Tenants Home Contents Insurance

We recommend to all our tenants that they have a Tenants Home Contents Insurance policy in place throughout the length of the tenancy.

Comprehensive Tenant Reference Checks

Each tenant who wishes to move into a KnightBain Let property must pass a Comprehensive Tenant Reference Check processed by our partners.

The process includes:

- Affordability Check
- Employer Reference
- Previous Letting Agent/Landlord Reference
- Credit Check

TENANCY DEPOSIT SCHEME

As of 2nd July 2012, all private landlords and letting agents taking tenancy deposits in Scotland are required to safeguard them with a Government approved tenancy deposit protection scheme.

The Housing (Scotland) Act 2006 legislation aims to ensure that tenants who have paid a deposit to a landlord or letting agent and are entitled to receive all or part of it back at the end of that tenancy, actually get it.



KnightBain's Chosen Tenancy Deposit Scheme Administrator

Safe Deposit Scotland is open to all landlords and letting agents and is free to use.

Why is legislation needed?

Concerns over poor tenancy deposit practice led to Scottish Ministers being granted powers in the Housing (Scotland) Act 2006 to bring forward regulations for the approval of mandatory national schemes to safeguard tenancy deposits.

The main objectives in bringing forward regulations for the approval of tenancy deposit schemes are to deal with the problem of unfairly withheld deposits, ensure that deposits are safeguarded for the duration of the tenancy and to ensure that deposits are returned quickly and fairly, particularly where a disagreement over the return of the deposit arises.

The tenancy deposit protection schemes in Scotland will ensure all landlords safeguard the deposits they take, which is in every landlord and tenant's interests.



PRICING STRUCTURE

The following standard fees are charged by KnightBain for our services

Full Management Service:
12% Inc VAT of monthly rent achieved.

Tenant Finding Only:
50% Inc VAT of monthly rent achieved.
Deducted from first month's rent only Minimum £200 + VAT.

Rent Guarantee & Legal Expenses Insurance:

Through our partners we are able to provide a Landlord Insurance, Rent Guarantee & Legal Expenses Insurance at 3% of monthly rental income.

Rent Guarantee & Legal Expenses Insurance Policy Features:

- Nil Excess - Pays all arrears back to initial default.
- Rent payable until vacant possession is obtained, no time limit.
- Cover limit of £2,500 (higher value available on request).
- Total claims limit of £50,000.
- Upon accepting a claim, the insurers will seek repossession of the property.
- Full legal expenses cover*
- Cover is on a per property basis.
- Available for Managed and Let Only.
- Agent is the policy holder as standard.
- All rent guarantee & Legal Expenses Insurance claims are processed in-house at Let Alliance.

Please call for quotation and further information.



Advertising and Marketing: £299.00 Inc VAT

- Capturing Professional Photographs of your property.
- Creation of your Property Particulars Advertising your property through various media.
- Instruction of a KnightBain TO LET Board to be displayed at your property (if permissible).

Additional Charges

We are confident that we will Let your property and will not ask for any fee to be paid upfront. Fees will be deducted from the first months rent. Should you decide to withdraw your property for Let an Advertising and Marketing Fee will still apply.

GETTING READY TO RENT YOUR PROPERTY

When authorised KnightBain will instruct the necessary requirements listed here and deduct cost from the first month's rent.

Energy Performance Certificate:
From £85 Inc VAT
Valid for 10 years
Instructed: Immediately

Gas Safe Certificate:
£85 Inc VAT (Boiler & Hob)
£20 Inc VAT each additional item
Valid for 1 year
Instructed: 48h prior to Tenants moving in

Gas Safe Certificate and Annual Boiler Service £130 Inc VAT

Electrical Installation Condition Report (EICR):
from £120 Inc VAT

Interlinked Smoke/Heat Detector:
from £85 Inc VAT

PAT Certificate:
£60 Inc VAT (Up to 6 Items)
£5 Inc VAT each additional item
Valid for 1 year
Instructed: 48h prior to Tenants moving in

Carbon Monoxide Detector:
£40 Inc VAT

Legionella Risk Assessment:
£45 Inc VAT

Fire Blanket : £18 Inc VAT



A PROPERLY COMPILED INVENTORY

It is so important that landlords and agents have a properly compiled inventory. This will always be much more detailed than a landlord's own document and will provide vital evidence in any end of tenancy dispute. The tenants should check and sign their agreement detailing the inventory when they check-in

Poor evidence is favouring tenants in deposit disputes

New research shows that since the start of the tenant deposit schemes in 2007, more tenants than landlords are continuing to be awarded 100% of the disputed amount at adjudications.

The stats show that over the last eight years, tenants have been awarded 20.25% of the whole dispute amount, compared with 18.21% of landlords.

Cleaning remains the most common cause of dispute, appearing in over half of all cases (53%). This is followed by damage (46%), redecoration (29%), arrears (16%) and gardening (14%). Disputes over gardening have seen a steady increase since 2011, up by 3%. Jax Kneppers, Founder and CEO of Imfuna Let comments: "Despite the best efforts of the deposit schemes, landlords and agents are not being awarded 100% of the deposit as often as tenants.

It is worth asking ourselves why landlords have failed to improve their success rate at disputes over the last few years? One obvious reason is the quality and lack of evidence which is presented at adjudications.

Many landlords and agents are not conducting an adequate inventory or check-in and check-out and don't keep copies of correspondence with the tenant, which could be evidence in a dispute.

At the end of the tenancy, the tenant should always be present during the check-out inspection. Tenants should also be made aware of any problems and chargeable issues to their deposit, as this will avoid disputes. Using a deposit scheme dispute service should always be a last resort. The landlord should make every effort to communicate and negotiate with their tenant.

The best way for landlords and agents to protect their property and avoid a dispute, is by ensuring that its condition is fully recorded at the start of the tenancy, with a comprehensive inventory, along with a thorough check-in and check-out report.

The software we use ensures landlords and agents have a bullet proof inventory that records the property check-in condition status. The software provides a side-by-side comparison report which clearly demonstrates any change in condition of the property, illustrated with date and time stamped photographs.

Inventory: From

£99 Inc VAT (1 Bedroom)

£20 Inc VAT per additional bedroom

Instructed: 72h prior to Tenants moving in

Comprehensive report completed detailing the observed state of the property, its contents, furniture, fixtures and fittings at Check In. This report is then compared to at Check Out and will provide sufficient evidence for any deductions towards damage or missing items.



FULLY MANAGED SERVICE INSPECTIONS



Mid Term Inspections:

Within your fully managed service from KnightBain Lettings, Mid Term Inspection Reports will be sent to Landlord by e-mail. Complete every 16 / 20 weeks.

As your managing agent, we take every opportunity to protect your investment. We will conduct regular inspections of your property to ensure that it is being respected by your tenant and to ensure that any minor maintenance issues are caught early before they develop into larger, more substantial repairs.

Inspections include the following checks :

- Observe cleanliness and general appearance of the property
- Observe compliance with smoke and heat detection
- Comment on condition of decoration
- Detail of any repairs required including any signs of dampness
- Check that all safety checks are up to date
- Check all windows are wind and watertight
- Check all windows are working correctly
- Check all floor coverings are fit for purpose
- Highlight any discussion with the tenant if present

Once the inspection has been completed, a report detailing the above will be sent to the landlord.

Available from Knight Bain:

- **Full Estate Agency Service**
- **Letting Services**
- **Commercial Property**
- **Speak to us to book a free valuation of your property.**

We understand that getting an update on your property's value or rental potential can help you make better informed long-term decisions

- **Mortgages**
Recommended independent financial advisers



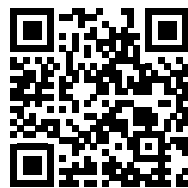


LETTING AGENTS

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