

Guidance for Churches

LETTING RESIDENTIAL PROPERTIES





Useful Contacts

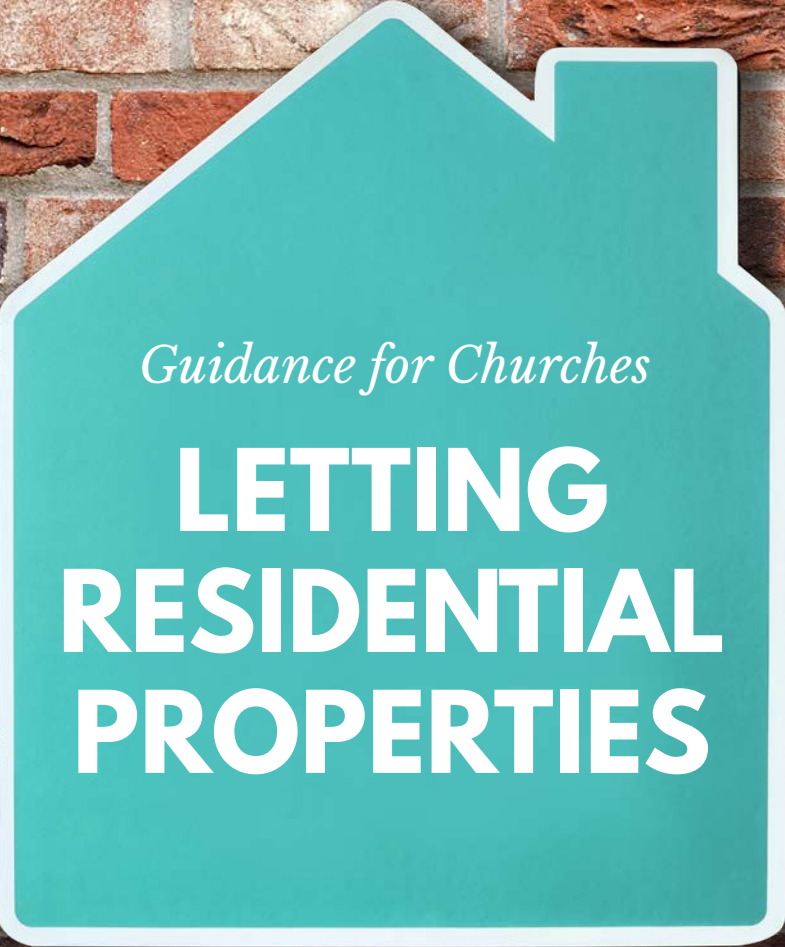
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Toolkit for Churches Publication
A unique guide to running your church including
lots of information and useful contacts

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Guidance for Churches

LETTING RESIDENTIAL PROPERTIES

This document provides those churches who have residential units as part of their property and sets out the basic approach to preparing a property for letting and helps understand, how the managing agent that will undertake the selection and management of tenants to ensure that the property is well managed and maintained in support of the Church.

Some Churches within the Union have properties which they let out to provide a supplemental income. The Union recommends that Such rental property should always be managed by a letting agent to minimise the risks to the Church. Guidance has been provided on letting property. Local Managing Trustees (The Church Committee) have a responsibility to protect the Church investment and to ensure that rental income relates to current market rates available in any given area.

The management of such properties is the responsibility of the committee of the respective church and therefore decisions should be made by the committee and recorded relating to any matters from the selection of a managing agent, day-to-day repairs, tenancy matters and ending of a residential tenancy. It is recommended as good practice a church should select a management agent from the locality to undertake a range of tasks; The SNU Trust Property Coordinator can provide advice and guidance, concerning the types of tenancy that could be used when letting the property to a prospective tenant. The information provided helps you understand the types of tenancy that can be offered and will assist when discussing this with any prospective managing agent. Generally, an Assured Shorthold Tenancy is recommended as the best option for Churches.



PREPARING TO LET YOUR PROPERTY

Before you begin

Before you begin the process of letting your property, you need to be thoroughly prepared. There is a lot to do before you can think about getting your new tenants through the door. First impressions count for everything when it comes to property, so it's vital your home property looks its best for potential tenants. Maintaining this condition for all your viewings will give you the best chance of letting your property and achieving the best possible price. So, what preparations should you make?

The external view

This is the first view your potential tenants will have of your property, so you should focus on optimising its appearance. Make sure all aspects of your property are up to scratch and meet all the required standards to give you the best chance of finding the right tenants and achieving the best price. Tidy up the front and back garden, weed, trim hedges, add some new plants if necessary, clear any dead or unsightly plants, mow and fix any damaged lawn.

Cleaning

Clean thoroughly from top to bottom, carpets, floors, windows, fixtures and fittings. Eradicate unpleasant odours, like pet smells and cigarette smoke.

Decorate

Decorate rooms if required, a lick of paint can re-energise the appearance of a room.

Make minor repairs

Fix leaky taps and cracks in the walls, replace broken or crooked tiles, replace burned out light bulbs, make sure everything works.

To Consider

Is it Clean, tidy and presentable? Of a sufficient size for the family composition? Clean and free from damage, such as damp? Free from serious disrepair? Structurally sound and not suffering from conditions such as subsidence?

The interior

As well as the physical standards of the property itself, there are numerous other standards that will need to be met, including safety standards for gas and furniture. Your letting agents should be able to help you with advice on Health and Safety issues.

Repairs

Repair cracks, holes or blemishes in the driveway or walls. Give the window frames and door a lick of paint if they need it. Make sure the house property number is clearly visible. Keep rubbish and bins out of sight.

Declutter

Create more space by moving some furniture into storage, tidy away or remove unnecessary objects, books and knick-knacks, clear out cupboards and wardrobes of non-essential items.

Putting in the time and effort

It may seem like a lot of work, but with time, energy and even a bit of money spent now, it could really make the difference to how quickly you let your property and how much rent you can charge. If you are considering a multi occupying tenancy within one property, then please contact the Trust Property Coordinator, who will provide advice and guidance.

Other considerations

Think about the type of accommodation you are going to let and how you are going to let it out. These are likely to be, the sort of questions that a managing agent may well ask the committee of the church or the churches representative.

Advertising

How will it be advertised - for example, two bedrooms with a study, or three bedrooms? Who will your target market be? Families, students, professionals? Get a clear understanding of the cost of running your property - Council Tax, utility bills etc. These different considerations will affect how you prepare and proceed with the letting and the choices you make in managing it.

Who should you consult before letting your property?

Before you can let your property, you need to consult a number of parties: While your thoughts may be leaning towards how much you can make by letting your property, it is important that you consider and budget for the costs involved, too. You should budget for the following costs:

Your Insurance Company

If you don't let your insurance company know that you have let your property, you may not be covered in the event of damage, fire or theft in the property.

The SNU Trust Property Coordinator

Letting Agent
You may also find it useful to get advice from a qualified letting agent.

The SNU Trust

Check that the property can be let on an Assured Shorthold basis.

THE COST OF LETTING YOUR PROPERTY



Any monthly mortgage repayments owed on the property.



Furniture and furnishings. (if required)



Any expenses involved in bringing the property up to the required standards, both physically and in terms of the regulatory safety standards of furniture, utility equipment and appliances.



Trust Property Coordinator fee. (to be discussed by Finance Committee)



Contingency budget for ad hoc repairs and maintenance.



Letting agent, management fees and Insurance fees.

The budget should be agreed by the church committee, prior to any action being taken to commence the letting of the property and detailed financial records should be kept of any costs incurred in terms repairs and maintenance and any other related costs. This should be reflected as the separate item within the churches income and expenditure account.

CHOOSING A LETTING AGENT

You should never underestimate the work involved in the successful letting of your property. The clear majority of churches prefer to hand over the responsibility for finding a tenant to a dedicated and qualified letting or estate agent. This cuts out all the necessary awkwardness of having to deal directly with viewings and negotiating with potential tenants. There are considerable advantages in using a letting agent, who will:



Manage and conduct viewings, giving them the opportunity to try and secure tenants for your property and providing you with valuable feedback along the way



Advertise your property efficiently to thousands of potential tenants looking for property to rent in the area (make sure you choose an agent that lists its properties on a major portal, like Prime Location)



Have knowledge of the local market, including the type of properties to rent in the area, the potential demand for them, the rental prices being achieved and the kind of tenants who might be interested in your property.



Provide you with advice and guidance



Negotiate with tenants on your behalf when discussing the rental price of the property

It is suggested that the church committee obtain several quotes for services from local managing agents. It is likely that local authorities will hold details of local managing agents which they may use. Alternatively, you can seek advice from the Trust Property Coordinator who has a list of managing agents, which you can review.

“You should never underestimate the work involved in the successful letting of your property”



MANAGING AGENTS

The majority of letting agents also offer property management services. If this is an option you're interested in, consult the letting agent first to make sure they can offer this service.

WHAT SERVICES CAN AN AGENT PROVIDE?



Manage the start and end to the tenancy based on your instructions



Organise tenancy agreements and inventories



Inspect the property periodically on your behalf for its condition and state



Provide professional advice and guidance throughout the duration of your relationship



Organise the collection of rent from the tenants and arrange for repairs during the tenancy



Vet potential tenants by sourcing references from previous landlords, conducting credit checks and obtaining bank details.

CHECKLIST

A pre-tenancy checklist should help you make sure you've ticked all the right boxes before you make the next step in letting your property. Your Managing Agents will provide information concerning your rights and obligations, health and safety regulations and the latest legislation on handling your tenant's deposit.



Update your insurance to consider that your property is going to be let



Obtain approval from the council's planning office (if you plan to make structural alterations to the property or change the property's use)



Inform the council's environmental health department if you plan on letting as a House in Multiple Occupation



Ensure that if flatted accommodation that you have the appropriate fire certification.



Make sure all furniture and furnishings comply with the latest fire regulations



Ensure that all gas appliances and equipment have been serviced by a Gas Safe registered engineer and that safety records are kept in a safe place



Make sure that all electrical wiring has been checked and safety approved by a qualified electrician



Inform the council tax department and utility suppliers that the property will be let



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