

FEEES AND GUIDANCE FOR LETTING YOUR HMO PROPERTY



Francis Stuart

HMO Property Management
& Aquisitions

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Services

Below are details of the primary services we can provide, but please note that we are happy to put together a tailor-made package to suit a specific landlord needs.

Please note that we do not offer a Tenant Find Service for HMO Properties.

Management Service

Services	HMO Tenant Find	HMO Property Management
Free Property Visit & Rent Appraisal	✓	✓
Professional Photography and Room Staging		✓
3D Virtual Tour		✓
Professional Marketing, Websites & To Let Board	✓	✓
Fully Accompanied Property Viewings	✓	✓
Fully Referenced Tenants to Highest of Standards	✓	✓
Right to Rent Checks Carried Out	✓	✓
Drawing up of Tenancy Agreement & Signing	✓	✓
Compliance with the De-Regulation Act	✓	✓
Smoke Alarms Tested on Move-in Day	✓	✓
Registering the deposit with the DPS		✓
On-Going Immigration Checks		✓
Rent Collection		✓
Rent Chasing if required		✓
Statement of Rents		✓
24Hour Access to Fixflp		✓
Maintenance Handling		✓
Safety Certificates Renewals		✓
Financial Statements		✓
Quarterly Property Inspections		✓
Section 21 Notice issued		✓
Section 8 Notice Issued		✓
Management Commission	N/A	15%* Including VAT
Tenant Find Fee	£360 Including VAT	£240 Including VAT
Contractor Finder Fee	N/A	£75 including VAT
Inventory Per Room	£36 including VAT	£36 including VAT
End of Tenancy Room Inspection	£30 including VAT	£30 including VAT
Monthly Fire Alarm Test	£18 including VAT	£18 including VAT

Multiple Properties

Francis Stuart offers discounts from our management commission for landlords with more than two properties under management.

For two properties, the management commission is 13.5%, including VAT. For three or more properties your commission would be 12% including VAT.

Schedule of Fees

Tenant Find per Room	£240 including VAT
Contractor Finder Fee	£75 including VAT
End of Tenancy Room Inspection	£30 including VAT
Monthly Fire Alarm Test	£18 including VAT
Standard Property Management	15% including VAT of Monthly Rent

***DSS tenants will attract an extra management percentage of 1.2% including VAT.**

Additional Items and Expenses

Some items may already have been included in the service you select. If they are not included, the cost of the addition is below.

End of Year Statement	£36 including VAT
Duplicate Statement *	£6 including VAT
Renewal of Tenancy Agreement	£60 including VAT
Caretaking Service for Empty property	£18 including VAT per visit
Inventory Check-In Report (Room Only)	£36 including VAT
Inventory Check Out Report (Room Only)	£36 including VAT
Schedule of Works for Room Refurbishment	£50 including VAT
Post Work Inspection Visit	£36 Including VAT
UC47/HB Direct payment request	£24 including VAT
DPS Deposit Registration (Tenant Find Only)	£30 including VAT
DPS Statutory Declartion	£24 including VAT
Agreeing Surrender of Tenancy	£60 including VAT
Meter readings	£18 including VAT
Key Cutting	£12 including VAT plus cost of keys
Deposit Disputes	£36 including VAT per hour
HMO Licence Fee	£72 including VAT
Additional Work	£36 including VAT per hour

Obtaining Estimates and Supervision of Major Works including insurance work 12% including VAT of all work over £500.

Our fees are inclusive of VAT at the appropriate rate, currently 20% unless otherwise stated.

HMO Property Management

An HMO is subject to more regulation and management than a typical residential property. Below we will go through some of the extra-legal requirements and some of the best practice we have developed to make your HMO investment more profitable.

HMO Regulations

HMO License

From the 1st October 2018, all HMO properties with five or more people will require a licence from the local authority, which is valid for five years. It can't be transferred to a new property owner. We can apply for a License on your behalf for an additional fee.

Notice Board

A notice board must be put up in a communal area. As a bare minimum, this should contain contact details of ourselves as Property Managers with an out of Hours number being displayed. We also have other signs that we put up to help the running of the house.

HMO Fire Safety

We recommend that all HMOs have a Fire Risk Assessment carried out. The HMO regulation state that a Fire Risk Assessment should be carried out. The assessment will identify what work is required to bring your HMO Property to the standard of safety needed. We would look at reviewing the fire risk assessment every year. We can recommend a contractor to carry this out on your behalf.

Smoke Detection/Fire Alarm System

Depending on the size and layout of the property, smoke alarms, or a fire alarm system will be required. The minimum requirement would typically be an LD2 system. We would recommend that the smoke alarm/fire alarm system is serviced every 6/12 months. The fire risk assessment will determine what design should be installed in the property. The alarm system should be tested every month as per the LACRORS Guidance.

Fire Blanket

A fire blanket should be installed in each kitchen of the property.

Fire Doors

Fire Doors may be required throughout the property. As a bare minimum, a Fire door should be installed on any Kitchen or Utility door. The Fire Risk assessment will determine the fire door requirements for your property.

Emergency Lighting

Depending on the size and layout of the property emergency lighting may be required in the property. The Fire Risk assessment will determine the emergency lighting requirements for your property. The emergency lighting should be serviced every 12 months. The cost of the service is payable by the Landlord.

Fire Extinguishers

Currently, there is no legal requirement to have a Fire Extinguishers installed in your HMOs unless stated in the properties Fire Risk Assessment. It is a recommendation that one is installed on every floor. If they are installed, then they will require servicing on a yearly basis. The cost of the service is payable by the Landlord.

Electrical Conditions Report

An electrical conditional report is required for your property; this is valid for five years. The cost of the service is payable by the Landlord.

Portable Appliance Testing (PAT)

A PAT test is required to be carried out on all appliances which have been supplied by the Landlord. The PAT test is needed to be carried out every year. The cost of the service is payable by the Landlord.

Door Locks

All locks in the property, including bedroom door locks should be able to be opened from the inside without a key. This is so if in an emergency, the occupants of the property can escape the property safely and quickly.

Key Safe

We recommend that an external key safe is fitted at the property. This allows contractors and us easy access to the property for repairs etc.

HMO Best Practice Guide

Types of Tenants

You have four main types of Tenants: -

- DSS Tenants
- Students
- Working/Professional
- Contractors

It is recommended that you do not mix tenant types in a Property. Depending on the standard of the property and the location of the property, we can advise on your target market. Student and Working/Professional is the desired tenant type. Contractor properties also appeal in specific locations. In most cases, we would advise avoiding DSS Tenants.

HMO Property Standards

The HMO market is changing, Magnolia paint and pine beds and wardrobes is no longer a look for the majority of the HMO market and, if you have this look, you will likely have more voids or risk attracting poorer quality tenants. Properties need to be presented well, with quality furnishings, good quality carpets and modern décor.

Communal areas should also be presented to a high standard. Modern Kitchens and bathrooms are required to attract the best tenants and to keep voids to a minimum.

Ensuite's are also very attractive to many tenants and attract a premium rent.

We can offer advice on refurbishing an existing HMO or if you plan to purchase a new HMO and how you can refurbish a property for maximum return on your investment.

Property Staging

Once a room is for let we recommend the room is staged until the room has been let out. Not only does this produce better photos of the room, which is better for marketing, it also sells the properties vision to any potential tenant when they visit.

Staging or dressing requires us visiting the property once empty and adding some good bedding and cushions to match the décor of the room.

Cleaning

We recommend that the communal areas are cleaned every two weeks. We can arrange a cleaner on your behalf. They would also clean the Kitchen, Shared toilets, hoover the communal area. They also report back any issues they find at the property.

Heating

We often find that tenants will abuse the heating at a property as this is all inclusive. We recommend a device such as a Time o Stat <https://timeostat.co.uk/> is fitted at the property to reduce your bills.