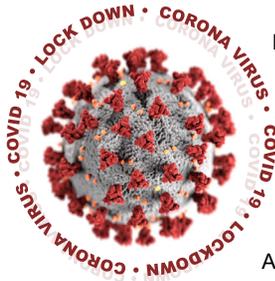


LATEST NEWS

MAY '20



Honey Lettings and the Corona Virus



Like many businesses the initial few days of trying to plan was difficult. Following the Government advice we stopped new marketing and removed properties from the web portals. We utilised the Government's furlough scheme and three of our staff took this option and remain safe at home.

Throughout the period we have staffed both our Fleet and Alton offices but the offices have been locked. Honey Lettings utilise all of the latest technologies with phone systems, online client database and shared file systems and we have always been able to respond to Landlords and tenants needs.

As a managing agent our responsibilities remain to support tenants in properties and we have been handling maintenance and payment issues.

Honey Lettings has gone from strength to strength and in recent years we have had no quiet periods. We have been using this period to look at our in-house systems and make improvements for the future.

Tenancy Renewals

After the initial term of a tenancy, which is normally one year, the tenancy can either be renewed for another fixed term or allowed to continue on a month by month basis. As a Landlord, you will need to decide before the end of the tenancy which route you wish to take. If you wish to renew your tenancy, once you and your tenant have agreed, we will be happy to renew the agreement on the terms you have both agreed upon. Make a note in your diary for a month or so before the end of your tenancy to allow you and the tenants time to decide on the way forward. Our fully managed service includes the scheduling of renewals and although we are happy to process renewals for non-managed properties we no longer prompt the Landlord.

Here are some FAQ's which may be helpful when your tenancy is due for renewal in the future:

Q. Why should I renew?

A. A new tenancy offers a more guaranteed rental income for a fixed period to both the landlord and the tenant. Honey Lettings regularly review and update their tenancy agreement to ensure it complies with current legislation and incorporates recent changes to the law. Our more recent tenancy agreement provides a Contractual Periodic agreement when the initial period is completed which maintains the rules of the contract throughout the tenancy. Older contracts and contracts created by other agents may roll into a Statutory Periodic agreement. It has been shown in court that Landlords cannot hold tenants to the initial rules of the tenancy including paying for the council tax whilst the property is not occupied if Statutory Periodic tenancy is in place.

Q. If I want to increase the rent do I have to renew?

A. No, but a renewal will document the terms and revised rent in an updated tenancy agreement, giving clarity if challenged.

Q. Does anything else happen when the tenancy is renewed?

A. Yes. Along with the tenancy agreement Honey Lettings provide all supporting compliance documents such as a current energy performance certificate, the latest version of the government's How to Rent guide and the current gas safety certificate. In the event of a landlord needing to seek a possession order, you would need to prove that this had been given to the tenant/s. Honey Lettings would ensure that you are compliant with the latest legislation so this could be seen as a tenancy legal health check.

Q. How much does it cost to renew?

A. Following the law changes that came into effect on 1st June 2019, from 31st May 2020 agents and landlords are no longer able to charge fees to tenants for tenancy agreement renewals. The fee to Landlords for a renewal will be £250 including VAT, fully managed Landlords receive a 50% discount.

Q. What if I don't renew?

A. If you don't renew, the tenancy becomes a periodic contractual agreement after the end of the term, which would allow either party to give notice (usually two months either side). It is always worth checking the information enclosed in your tenancy remains compliant and correct.

As always, Honey Lettings is here to help. If you would like to renew your tenancy or, if your tenant is wishing to vacate, we are here to help.





Gas Safety & Electrical Safety checks durring lockdown.



The requirement for safety checks has not been removed during the corona lock-down period. This can be seen as strange when tenants are told to stay at home and self-isolate.

The pending requirement for EICR (Electrical Installation Condition Report) is still planned to come into place on the 1st July 2020. All new property rentals from this date will require a completed EICR to be in place and existing tenancies will require this April 2021. An electrician will need to visit properties for the initial assessment and also carry out any required work.

Gas safety checks will still need to be completed to make sure there is no gap in the cover. Recent legal cases have stated that if a gas certificate lapses then this can be used to refuse an eviction order if required.



Tenants may refuse access to the property, they may be vulnerable or self-isolating. The industry advice in these cases is to make sure you receive a clear declaration that access is refused and keep this as supporting evidence in a claim. The engineers that Honey Lettings use take precautions to minimise the risk to themselves and the tenant during the visits. If you organise your own checks and your engineer is not available due to the virus you need to show proof of this and that you have made efforts to find an alternative contractor.

Rent payments

We are far from being out of the woods but we are pleased to report that for all the properties we manage we only have one tenant who is currently late paying the rent due. At the outset, we contacted all of our tenants and asked that they approach Honey Lettings if they had an issue with paying the rent. We have discussed the issues with multiple tenants who believed, partly due to press reporting, that a payment holiday or discount should be available to tenants. We have generally found that the furlough scheme, which offers a minimum of 80% of a salary, provides enough income to pay the rent and other important bills.

We hope that tenants get back to work as soon as possible and that the furlough scheme supports them until this point.

Moving forward with another technology we have adopted a new payment system called PayProp. This system will automate much of the rental income management. Tenants will receive a payment request before each payment is due, they will receive a receipt when paid and will be chased automatically if not. The system speeds up the time taken to distribute the landlord's money into their account and provides a statement. All these transactions are logged and detailed reports will be available on request.



Adopting this system will allow Honey Lettings to maintain the highest of standards when dealing with client money and maintain with needed to Client Money Protection compliance.

Virtual Viewings

Although we are not sure how the lock-down rules will change over the next few weeks we do know that social distancing will remain for the foreseeable future.



In the past, having advertised a property and found interested tenants, we would organise a viewing. Depending on the property we could carry out multiple viewings before a suitable tenant is found. Often, the properties are occupied by the current tenant or owner and viewings can be disruptive.

Honey Lettings have signed up to use the very latest virtual tour technology. Using an amazing camera and sophisticated software we will be offering virtual guided tours of properties. The specialist camera not only gathers 360 images it also takes measurements as it goes. Honey Lettings will be able to walk tenants around the property via a Zoom type connection to allow the agent to discuss the property with the potential tenant. The potential tenant can stay safe at home, the agent can gather all the relevant information whilst chatting about the property and the current occupier is not being disturbed or put at risk.

We do feel that it is still important for a new tenant to view the property in person and so before the tenancy is agreed we would organise this viewing.

This is the technology of the moment but like many things at the moment, it may prove to be a great success and a great resource for the future.



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Keep safe,
Honey Lettings Team