

Private Sector Leasing

Everything you need to know about leasing
your property to New Forest District Council



What is the Private Sector Lease scheme?

New Forest District Council (NFDC) operates a scheme to lease properties from private owners to provide homes for those in need of help securing housing. The scheme has been running since 2007 and now has over 130 properties throughout the New Forest district.

Under the terms of the lease, the owner allows NFDC to sub-let a property on an occupation agreement to families, couples or single people nominated by the Council's housing department.

The main aims of the scheme are to:

- Provide a good letting experience for the owners of properties.
- Improve housing and conditions for households in housing need.
- Bring empty properties back into use.
- Ending the use of providing unsuitable temporary accommodation.

What type of property is suitable?

The Council is interested in any properties from studio flats to four-bedroom houses, with the highest demand for two and three-bedroom houses in most areas of the New Forest, preferably near schools, shops and amenities.

Properties must be self-contained and unfurnished.

If your property is leasehold we require the name and address of the freeholder but are unable to contribute towards any leasehold or service charges.

If a property requires refurbishment we may be able to assist with carrying out some works if a longer lease can be agreed.

Condition

It is important to provide accommodation that is safe, sound and issue free, has heating, electrics and plumbing which is up to a modern standard. A property should be in a good state of repair and in reasonable decorative order.

About the lease

The lease is between the property owner and NFDC. Our solicitors have carefully drawn up the lease to comply with housing legislation. The lease explains what the obligations are for the landlord (the owner) and tenant (NFDC). We offer a fixed term three-year renewable lease.

What are the benefits to property owners?

Your property would be managed by the Council. You won't need to have any direct dealings with the sub-tenants.

The Council will:

- Provide you with a single point of contact.
- Pay you a guaranteed monthly rent for the term of the lease, even if your property is empty.
- Carry out regular inspections and tenancy management.
- Take care of responsive repairs and maintenance.
- Attend to annual gas safety check and electrical checks as required.
- Make good any damage caused by occupants.
- Return your property in a similar condition as at the start of the lease (less fair wear and tear and excluding carpets, curtains and built in appliances).

The Council can also take care of some of the more major works that would be an owner's responsibility and may be required during the lease. Works can be carried out by our in-house contractors and the cost can be deducted from future rental payments.

Payments to owners

Rents paid to owners are based on the number of bedrooms a property has and are restricted by Housing Benefit thresholds.

Payments to owners are guaranteed for the entire length of the lease, including if it is empty (unless the property becomes uninhabitable).

Unlike a letting agency there are no administration or legal fees. Payments are sent directly to your bank every month.

Taxation issues

Your local tax office will be able to advise about tax payable on your rental income.

Please be aware if you are to live abroad whilst leasing your property, you are considered to be a non-resident landlord and need to apply to HMRC for approval.

Individuals will need to complete form NRL1, application forms are available at hmrc.gov.uk

Are there any deductions from my rent?

At the start of the lease there may be deductions for providing an Energy Performance Certificate or if any works are required to prepare the property for letting after the gas, electric and asbestos tests.

Any deductions during the lease would be to cover more costly works or repairs to the fabric of the property and only with agreement from the owner.

How long does it take to lease my property?

Once a lease has been agreed and your property is empty and ready to lease, our surveyor will visit and compile a Schedule of Condition report as a detailed record of the property at the start of the lease. Photographs will also be taken as proof of the overall standard and stored on our computer system.

The schedule will be included in the Lease Agreement to be signed by both parties. After the schedule is carried out, we will discuss any works that may be required with you. Normally this will take approximately three to four weeks.

Who is liable for what?

NFDC are responsible for payment of all utility bills and council tax (although this in turn passes to the occupier). However, if the property is leasehold, then ground rent and maintenance charges remain the owner's responsibility.

NFDC will deal with minor repairs and maintenance at our cost. If any, more costly, repairs are required that are an owner's responsibility, we will make contact to discuss the works. Our contractors can carry out work and the cost can be deducted from future rental payments or we can arrange access if an owner wishes to arrange for the works to be done.

As an owner you will be responsible for the replacement of faulty or worn out items, for redecoration if required and for the structure and exterior of the property. NFDC will contact you concerning any repairs or maintenance items not included in the repairs service.

It is not acceptable to leave a tenant without either heating or hot water for more than 48 hours, especially in winter. If an owner fails to carry out repairs, we reserve the right under the terms of the lease to carry out any work we consider necessary, and charge the cost to the owner's rent account.





Preparing the property

Having made the decision to enter into negotiations with NFDC, owners need to make the following preparations:

- If your property has a mortgage, you need to get consent from the lender to lease.
- If your property is leasehold, consent to lease should be obtained from the Freeholder.
- You will need to cover the property with a Landlord's Buildings Insurance policy, which should be renewed annually, with a copy sent for our records.
- If we have asked for works to be carried out before the lease commences, you will need to make sure they are completely finished.
- All contents must be removed and rubbish cleared, including from the garden and any outbuildings. It is an advantage if carpets or curtains are left in a property, but these cannot be guaranteed at the end of the lease.
- The property should be clean and tidy, particularly the kitchen and bathroom.
- You should contact the utility suppliers, including water, telephone, cable operators, gas and electric and supply meter readings. You should also advise Council Tax that the property is being leased by NFDC.
- All boundaries, fences, walls and gates should be safe, secure and suitable for the duration of the lease.
- Gardens should be tidy and clear from hazards. Garden ponds filled in and greenhouses removed.



Further information

If you require any further information or would like an officer to meet with you at the property please contact :

Private Sector Housing
New Forest District Council

Sarah Goodwin

Private Sector Landlord Liaison Officer

Direct: 023 8028 5284 or Switchboard: 023 8028 5151

Email: sarah.goodwin@nfdc.gov.uk