



Information for Owners

PREFACE

The purpose of this pack is to provide information about Wyedean Housing Association and to advise property owners on options for leasing empty property.



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2. Sample Assured Shorthold Tenancy Agreement
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FURTHER INFORMATION

If you need any further information or advice, please contact us at the following address:

**Wyedean Housing Association Ltd., 11 St John Street,
Coleford, Glos. GL16 8AP**

Telephone: 01594 838000
e mail: office@wyedean.org

Fax: 01594 838004
web site: www.wyedean.org

LEASING EMPTY PROPERTY

Introduction

If you have an empty house or flat you are considering letting, but for various reasons are reluctant to do so, perhaps we can help.

Subject to various conditions, the Association will lease your property from you, let it to someone in housing need, and pay you the agreed rent.

Wyedean Housing Association



Wyedean Housing Association is a non-profit making charitable housing association whose principle aim is to provide low cost rented accommodation for those in housing need within the Forest of Dean and Herefordshire.

The Association was established in 1975, and owns and managed over 430 houses and flats to rent with the area.

The Association's offices are based in Coleford, with property managed by a staff team of 9. A Board of Management, whose members give their services voluntarily, determines the policy of the Association.

Leasing Property



In recent years in order to increase the supply of available housing at affordable rents, the Association has leased properties from owners in the private sector, and then let them to suitable applicants on the waiting list.

How the scheme works

The Association leases the property from the owner for an agreed period. This is usually four years but can be more or less in certain circumstances.

The rent is agreed between the Association and the property owner. This rent will be set at below market rent levels, to ensure that this meets the charitable objectives of the Association, but is agreed at a level where the owner will obtain a return on their investment.

For the agreed rent the Association deducts a management and maintenance fee, the balance is then paid to the owner.

It is the Associations responsibility to ensure that the property is let and the rent paid and therefore the scheme has the advantage of giving the owner a *guaranteed rental income* for the period of the lease.

What are the deductions?

For the majority of leased properties we undertake routine repairs in addition to the general management of the property. Where this is the case we deduct 29% of the gross rent which covers both our management fee, voids and day to day repairs.

The amount we spend on routine repairs is capped under the lease at 14%.

An illustration of a two bedroomed house is attached at Appendix 1.

How is the property let?

The Association is responsible for the letting of the property and will usually be let to a suitable applicant on the *Homeseker* plus website.

If the property remains unlet for any period this does not affect the rent payable to the owner.

Who repairs the property and how is this done?

The Association is generally responsible for organising day-to-day repairs to the property.

Contractors are drawn from the Associations list of Approved Contractors who will undertake the work to a high standard and to the satisfaction of the resident and the Association.

In the lease however, there is a maximum sum allowed for repairs. This ensures that the Association is not subsidizing repairs to the property from its publicly funded stock, and in these circumstances the cost of additional repairs would become the responsibility of the owner.

What happens at the end of the lease?

The Association will let the property on an Assured Shorthold basis and therefore tenancies will terminate at the end of the lease to enable the property to be returned with vacant possession to the owner if this is requested and subject to the required period of notice.

We hope that in the main where the scheme has worked to everyone's satisfaction that a new lease is entered into and the cycle will begin again.

What type of property can be leased?

The Association is interested in leasing properties, which are primarily family units, and in areas of housing demand, within this context properties throughout our area of operation will be considered.



Property Location

In addition to the Forest of Dean and south Herefordshire, we are also able to manage properties in Monmouth, Chepstow and the Wye Valley. Other locations will be considered as appropriate.

Please contact the office for further information.

Further information

Some additional information with regard to letting your home and the effects of Assured Shorthold Tenancies are enclosed in this information pack.

If you would like to discuss any aspect of leasing an empty property with the Association, please contact the Association on 01594 838000

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ILLUSTRATION

Example: a two bedroomed house in Coleford let to the Association on a four-year lease:

Gross rent	£5,720 (£110 per week)
Less:	<u>£1,659</u> (29% for management, voids and routine maintenance)
	<u>£4,061</u> (Payable to owner)

- i. This illustration shows a gross rent of £110 per week, which is eligible for Housing Benefit.
- ii. From this 29% is deducted in respect of management, voids and day to day maintenance. Within this there is a maintenance cap of 14% in respect of routine repairs. Expenditure over this sum (in this illustration £728) is payable by the owner.
- iii. The rent is reviewed annually and may increase by no more than the general increase in the Consumer Price Index for the preceding year. Rents however, must at all times be eligible for Housing Benefit.

OWNERS CHECKLIST

- If you have a mortgage on the property, have you asked your lender for permission to lease?
- Check that you can obtain insurance
- Have you decided how long you want the lease to last for? It is unlikely that the Association will consider a term of less than 4 years.
- Is the property in sound condition and are all services, i.e. electric, gas and water supplies all in good working order?
- Have you made allowance for the fair wear and tear of the property when it is returned to you at the end of the lease?
- Remember that you are still responsible for major repairs and also for those repairs, which cost more than the agreed sum in the lease for day-to-day repairs.
- You are advised to ask a solicitor to act for you with regard to the terms of the lease.



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