

Using a Letting Agent: The pros and cons for landlords

Letting agents provide a range of services, which can usually be tailored to your requirements. These include: preparing the property for rent; marketing and advertising; carrying out safety and other property inspections; vetting tenants; drawing up the lease and inventory; managing the deposit; collecting rent and chasing rental arrears; and organising maintenance.

If you don't live close to your rental property, you'll probably need full management services. But if you do live nearby, you have a choice. You can employ an agent to carry out tenant finding services where they just show tenants the property and recommend a tenant or let only services where they find the tenant, move them in but you manage the tenancy.

There are more pros than cons to using a letting agent, so your choice may simply come down to cost, what you see as value for money and how much time you want to spend on letting your property.

Advantages

- Stringent vetting and referencing procedures mean you're more likely to attract reliable tenants
- The secure deposit protection scheme administration is taken care of for you
- Letting agents can handle all of the paperwork in relation to your property
- Rent can be collected and chased up on your behalf
- Letting agents can deal with all the day-to-day property management and maintenance issues
- As experts in their field, and with good knowledge of market conditions and demand, letting agents will probably be able to achieve a higher rent than you would
- Letting agents are up-to-date on current legislation affecting landlords
- You have an objective and impartial buffer between you and your tenants



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- Letting agents are experienced in dispute resolution
- If you need to evict a tenant, a letting agent knows the correct legal process
- Employing an agent should reduce your workload (and possibly stress and anxiety)
- Letting agents may be able to offer legal, landlord insurance and tax advisory services

Disadvantages

- Letting agents come at a price. Typically, they charge a set up fee and between 5% and 15% of the rental income. Make sure you understand what services you are getting for your money
- If there are any problems, such as evicting a tenant, it will mean extra administration, paperwork and possibly cost
- If the letting agents arrange repair work on your behalf, you may be charged an arranging fee, on top of the actual repair costs
- Some agents apply additional charges to third party services such as organising Energy Performance Certificates, Gas Safety Certificates and even using their tenancy agreements

If you decide to use a letting agent, make sure you ask them:

1. Are you a member of a professional body, such as the National Approved Lettings Scheme www.nalscheme.co.uk or The Association of Residential Letting Agents www.arla.co.uk/
2. Do they have client money protection scheme
3. How do you find tenants & how thorough is your referencing process?
4. Who and how will the property be maintained?
5. Can you have a full list of services and charges on one page?



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