

## Landlord Fact sheet – Property Maintenance and Budgeting

When renting a property there are a number of [safety obligations](#) landlords are obliged to follow. However most other aspects of property maintenance are things where landlords need to decide the approach they will take to looking after their property.

In the extreme if a property falls into disrepair, or reasonable works identified by the tenant are not completed, then there are various significant legal risks. However, these are not likely to be something affecting the overwhelming majority of landlords.

For most maintenance issues landlords need to plan to complete routine works, address repairs and allow a suitable budget. We have tried below to give a sense of what to expect in terms of budget and frequency of works.

### **What happens if I don't look after my investment?**

A key question for many landlords is what happens if I do not look after my rental property? The short answer is you will have higher tenant turnover and higher costs in the longer term.

All the research shows that tenants move home for the same reasons as homeowners i.e. change of job, needing a bigger house etc. However the biggest reason for tenants changing after these issues is the landlord not doing maintenance.

Why is that important? Changing tenants costs money. There is usually extra cost preparing a property for new tenants, even after receiving any damages from your outgoing tenants. It does not make good business sense to lose a tenant due to lack of maintenance. There is also great value in knowing the payment record of your current tenants.

Any maintenance cost simply protects your asset against wear and maintains its market value, whether renting or selling. Shabby properties attract lower rent and often end up with tenants who do not look after the property well. It does not make economic sense to not maintain the property.

### **First impressions**

The way your property is presented when a tenant moves in and is recorded on the inventory will clearly communicate expectations. This has an impact on how your tenant looks after the property.

E.g. if the home is shabby when they move in, they will be less inclined to look after it. They will also leave it a bit shabby. Sadly this usually means the condition at the end of the tenancy is usually worse than at the beginning, and deteriorates with each subsequent tenancy.

The reason for this is inventories can only clearly define things which are clean. Inventories with terms like 'dusty', 'poorly decorated', 'walls generally scuffed and marked', 'grass in need of cutting'; have wide scope for interpretation. When tenants are preparing a property for their departure they will, understandably, go to the minimum standard shown on the inventory as they interpret it.

Therefore it is essential to have your property properly prepared before the inventory is done, so the terms are 'clean', 'unmarked', 'newly decorated', 'short well maintained lawn'. These terms have almost no scope for interpretation, particularly in association with the inventory photographs, thereby clearly setting the standard expected when the tenants leave.



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One of the biggest areas of concern is cleaning. We all think we are clean and know what clean means. However when checking properties at the end of tenancies it is rare that tenants who have cleaned the property themselves achieve an acceptable standard compared with professional cleaners, even after a great deal of effort.

Sadly landlords preparing a property for tenants often do their own cleaning, thinking this saves them money and the work will be good enough. In our experience the cleaning is rarely of an acceptable standard, leaving incoming tenants to start their relationship feeling dissatisfied. This is a false economy and a house should always be professionally cleaned before new tenants move in. If we hire a car or a hotel room for a day we expect it to be clean. Tenants are customers who we expect to pay a great deal more money than for a car hire or hotel room.

### **What maintenance reporting can you expect?**

In our experience most tenants are sensible and reasonable people and only report genuine maintenance issues. However we find some landlords can feel they are getting too many calls. There are a number of reasons for this.

- Tenants are encouraged to report faults as an unreported issue can be more expensive to fix later. Also tenants do not wish to be held accountable for failing to report something.
- We all have a different tolerance of items not working in our own homes. Many of us have a list of things to do, but trade off the work/cost required to make a repair versus any inconvenience of something not being fixed. A tenancy is a commercial arrangement, so we can't expect tenants to be as tolerant of things not being fixed as we may be in our own homes.
- Landlords who rent a home they have lived in often feel more things are 'going wrong' than when they lived in the home. Sadly things do fail with age and different people use things in different ways, so tenants may use the shower more, or have the heat set to different levels. This can expose issues which may have been stable before.
- There is usually a flurry of reports when someone first moves into a home. Issues which the previous tenant ignored or tolerated as they came to the end of their tenancy often get identified by new tenants, keen to get things 'just right' in their new home. We find this is helpful to resolve any issues.

Inevitably we do get reports of issues which simply require tenant education or tenants doing minor jobs themselves. We usually handle these directly without troubling our landlords.

We also get reports where the tenant may be the cause of the issue – usually blocked drains. We always make it clear we will get the work done but if it is clear that they have caused the problem, then they will meet the cost.

### **How quickly should things be fixed?**

There are various levels in decreasing urgency.

Obviously a gas leak or major water leak is urgent and needs dealing with as soon as possible.

There are the high priority issues e.g. where the heat, water or electric has failed. These must be handled as a priority, certainly within 24 hours, usually sooner. Sadly it is not reasonable or



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acceptable to wait a few days to get a cheaper plumber to look at a failed boiler, particularly when the weather is cold. It is essential that you are seen to be doing what you can to get things working. Happily we have a stable of trusted tradesmen for most of these priority jobs who have enough work with us to be responsive, good value and trustworthy.

Then there is the wide range of works where the priority depends on the circumstances e.g. If the property has just 1 toilet then the repair of a failed toilet will need to be done more quickly than if there is another toilet in the property. These works includes everything you will encounter such failed appliances (where you supply them), dripping taps, failing locks and windows, pest control, clearing gutters etc.

On all works it is important to show how you are responding to the issue so tenants know what to expect.

### Major works

There are a number of low frequency, high cost works which need to be done.

Decorating – you should expect to decorate internal walls every 5 or 6 years. You may often be able to do the work less frequently, but you can't expect to claim much, if anything, from a tenant's deposit for damage to decorating if the walls were decorated more than 5 years ago. Usually landlords take the opportunity of a void after a longer term tenant to refresh the decoration. We think this is cost effective and sets a good standard for the new tenants.

Carpets – you should expect to change these every 8-10 years. Again you can't expect to claim much, if anything, from a tenants deposit for damage to carpets that are much older.

Boilers – modern boilers have a life expectancy of 12-15 years. Cheaper models tend to need more repairs and have shorter warranties. Replacing a gas condensing boiler typically costs about £2,500, if there are few other changes required e.g. new controllers, thermostats, pumps or pipework. We always recommend that where an older boiler has multiple repairs then quotes are obtained to replace it. This can save money compared with having to do an urgent replacement to a failed boiler in winter where you may not have the luxury of getting comparative quotes or access to the boiler you want.

### Budgeting

Our analysis of over 500 properties we manage shows the average maintenance cost is £815 per property per year. These costs include the full range of works including boiler replacement. There is an 11% chance of the annual costs being over £1,000. Costs are lower when there is no tenant change over, at just £446 a year. Where there is a tenant changeover the costs are £1,289.

Given average rents over that period were £845 we suggest landlords budget the higher of £800 or 1 month rent a year for maintenance and replacements.

If you have any questions about any aspect of this then please contact us.

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