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BRIGHTWATER

A landlord's guide to switching letting agencies

2 High Street
Ringwood
Hampshire
BH24 1AF

✉ hello@brightwaterproperties.co.uk
☎ 01425 478719

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www.brightwaterproperties.co.uk

This guide has been created to give landlords practical and sensible guidance based on our professional experience when switching letting agencies.

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If you have any questions about lettings, rental investments, or property management, please contact us on 01425 478719.

Welcome to our landlord's guide to switching letting agents.

My name is Darren Loose, and I am the Owner here at BrightWater.

We've been serving landlords in Dorset & Hampshire since 2007.

Over the years, we've helped many landlords switch letting agencies and cross over to use our services.

This guide is a culmination of all the experience and knowledge we have gained during that time by looking after hundreds of landlords.

We understand that being a landlord can be a challenging role – despite what many of the general public may think.

We also understand that a good working relationship between a letting agency and a landlord can make ALL the difference in how successful and smooth rental investments can be.

Over the following pages, we will share our advice on why landlords switch agencies.

We'll also cover how to identify the best agents for your needs and answer the questions we get asked regularly about changing to new letting agents.

We hope you find this guide helpful and informative.

If you have any questions about the process of switching agents or anything rental property-related, please don't hesitate to contact me or a member of our team.

We're here to help make your life easier and your rental investments as successful as possible.

Thanks for your time,



Darren Loose
Owner
BrightWater



Top Tip:

If, when switching agencies, you have to pay an exit fee, make sure it's paid once you've agreed to it. Non-payment can see your outgoing agent hold onto paperwork or slow down the process.

*Disclaimer: The information in this guide does not constitute legal or financial advice.

Why landlords switch letting agencies

Changing your letting agency can be a big decision to make.

The good news is that it isn't as complicated or time-consuming a move as you may think it is. For example, switching banks or utility companies is a much bigger, stress-inducing task.

There are many reasons why landlords decide to change letting agents.

These include:



Poor communication

The landlord feels that the letting agent isn't keeping them updated on things that affect their property.



Late rental payments

Landlords get frustrated when rent is paid late from their agency, especially when a tenant has paid on time.



Compliance errors

Falling foul of the myriad of rules and regulations around rental property is the cause of many landlord and letting agents' relationship breakdowns.



Cheaper fees

This reason needs careful consideration. When an agency offers cut-price letting fees, the standard of service a landlord receives usually suffers. So, proceed with caution if this is one of the main reasons you are thinking of switching.



Top Tip:

Look at the reasons above – if you can relate to at least three of them, it may be time to consider looking for another agent.

We are here to discuss and help you with any matters that are causing you concern.



Poor quality inspections

Inventories and inspections are tasks where landlords often feel their letting agents fall short. Usually, this is due to a lack of detail and care. Even worse is when properties are not inspected at all. Detailed inspections consistently carried out protect landlords and help them budget for the future.



Maintenance issues

An excellent letting agent has a network of trusted contractors to complete repairs and maintenance when required. Many landlords decide to switch agencies due to problems with the quality, calibre, and cost of tradespeople being recommended to them.

Other reasons we've come across include agencies being bought out by corporate firms, property management being centralised in national hubs, and clashes of personality.

How to change agents successfully

You may have decided the time is right to switch letting agencies.

If so, you'll need to have a new agent in place ideally before the legalities and paperwork have been completed.

1. Check the contract you have with your current letting agents. Confirm how long the contract is for. How much notice do you need to give them? Are there any early exit fees involved? (Remember, this contract is usually separate from any tenancy agreement signed between you and your tenant.)
2. Once you're happy with the leaving legalities, send a written notice that you wish to terminate the contract. Sending by recorded delivery is a good way to ensure receipt of your notice. Many agents will accept notice via email. Always ask for written confirmation that your notice has been received.
3. Create a paper trail/email threads of written communication between you and the letting agency. This will be invaluable if there are any misunderstandings or disputes.
4. Make sure you have copies of all paperwork linked to the property. This includes gas safety certificates, warranties, tenancy agreements, tenant identification, EPCs, deposit details, and several other items we can advise you on. Most good agents are happy to pass these straight over to the new agent. We are always happy to contact the outgoing agent on behalf of our landlords to access any paperwork required.
5. Let your tenant know you are switching agents. They needn't know why, and the outgoing agent should also make them aware of your decision. The new agent will contact them to discuss rental payments, maintenance reporting, and periodic inspection advice.
6. Give your new agent an update on which stage of the switching process you are at. A good letting agent will help you throughout this process. This is something we do as standard.
7. Once the notice period is over, collect the property's keys, the original tenancy agreement, any other documents, and reset any alarm codes if necessary. This is something we are happy to do on behalf of our landlords.
8. Finally, seek written confirmation from your outgoing agent that all fees are paid and that your working relationship with them has ended with no outstanding matters.



Top Tip:

When it comes to contracts, always read the small print – and pay attention to the Term and Termination sections.

The questions landlords ask us about switching

Should I just wait until the end of my contract and then make the change?

It's totally up to you. But if you are really unhappy and the contract still has several months to run, it may be worth looking into. Most letting agents require three months' notice in writing. Agency agreements and their termination clauses vary from agent to agent, so check your contract for clarity around the details.

Do I have to give notice of my intention to switch agents?

Yes. You may be frustrated or even angry with your current agents, but don't do anything rash as you have legal obligations to fulfil. As mentioned earlier in the guide, check how long your contract is for and what the notice period is. Most letting agency contracts have a 'break clause' in them so that even if your contract is for 12 months, you can give notice at a certain point during that time.

Will it cost me any money to leave my current letting agents?

As long as you've acted within your contractual obligations, you shouldn't have to pay anything extra. Unless, of course, the contract contains terms which include early exit fees. If you are leaving due to the agency failing to uphold their terms of business, you may be able to negotiate a waiver of these fees.

What should I tell my tenants?

Once you are sure you want to change letting agents and have total clarity around the contracts, inform your tenant as soon as possible. Keeping your tenant updated goes a long way to building a good relationship.



The questions landlords ask us about switching (continued)

Will my tenants be adversely affected by any changes?

No. If you have done your research and chosen an agency that can deliver better service, the move can positively benefit the tenant. Changing agents does not affect their tenancy agreement.

What if I'm unhappy with the way my outgoing agents handle the switch?

A good letting agency will have a complaints procedure in place. You should start by making a formal complaint to the agent in writing. Then, if you're still unhappy, escalate it as high as possible within the agency before finally using an independent redress scheme.

What happens to my tenant's deposit?

The new agent must transfer the deposit to their deposit scheme. This can be easy if agents use the same deposit service. The new agent should be able to arrange for a transfer with the outgoing agent. The tenant's permission will be required to move their deposit.



Top Tip:

Create a folder on your computer to store all communications linked to switching over.

I don't have a lot of free time. How can I change agents easily?

If you choose us to be your new letting agents, we take care of pretty much everything on your behalf. We have processes in place to ensure everything is done correctly. We can liaise with the outgoing letting agency and conduct an initial inspection. This is when everything is finalised and we take over the property's management.



Your nine-point checklist for switching letting agents

When you've decided you want to switch, following these steps will make the process easier.

- Check your existing contract's length and termination clauses. Ensure you are crystal clear about any notice periods and/or early exit fees.
- Begin researching new local letting agents to take over. Recommendations and reviews are all excellent indicators of the calibre of a letting agency. Also, call them to assess their approach over the phone. We're always happy to meet prospective new landlords face to face.
- Don't make your decision on a new letting agent purely on price. Cheap is often not cheerful when it comes to rental property management. And don't be swayed to leave a good agent by any new agency on the block offering zero management fees for six months.
- Give your current letting agent formal notice, notifying them of your intentions. Ensure you get confirmation this notice has been received and that dates have been agreed upon.
- Let your tenant know of your decision and reassure them that it does not adversely affect them.
- Make sure you have all the paperwork regarding guarantees, certificates, and warranties linked to the property.
- Agree on a date with your new letting agency as to when they will be taking over the property's management.
- On the handover date, collect keys, documents, and anything else related to the property from the outgoing agency.
- Finally, get written confirmation from the outgoing agent that no monies are owed, and everything that needs to be completed by them (and you) has been done.



Top Tip:

Don't be afraid to ask us anything. That includes enquiring about our no-obligation, free service where we will look at your existing letting agency contract and tenancy agreement and advise you accordingly.