

LANDLORD GOOD PRACTICE GUIDE



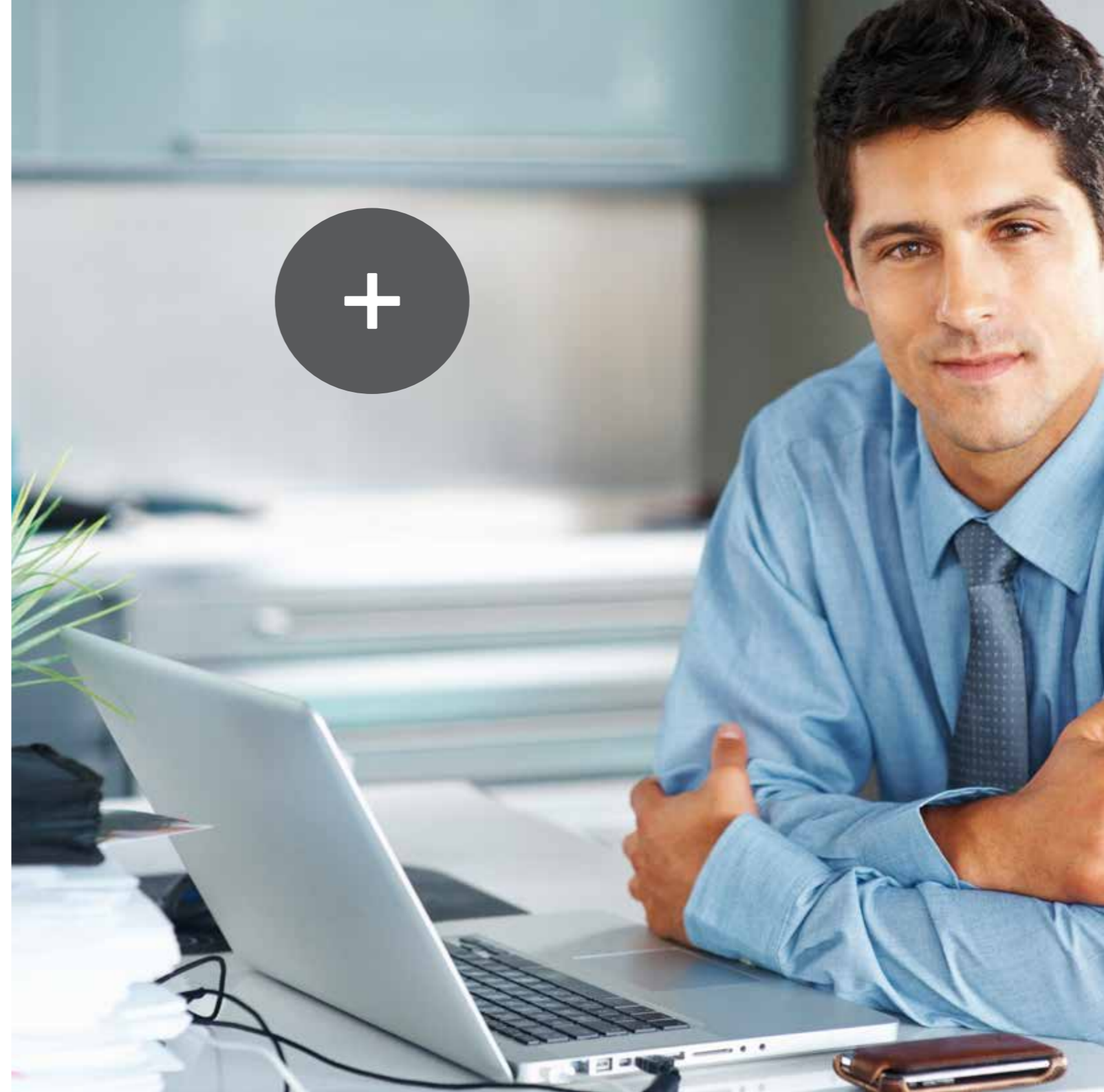
RENTGUARD
INSURANCE



Happiness is the key

As a landlord it makes good business sense to attract and retain reliable tenants. By having happy, **long term tenants** in your properties, you reduce the **hassle and cost** of having to find new tenants as well as the risk of losing out on rental income during unoccupied periods.


*The following guide
provides tips and
advice on how to be
a good landlord with
happy, long-term
tenants*



Prepare your property

First impressions count, so before you let prospective tenants view your property, make sure everything is in order and it's looking the best it possibly can. This preparation can be the difference between your property being snapped up or lying unoccupied for long periods.

This might seem obvious to most, but **clean, tidy** and **vacuum** the property. Don't neglect the outside of the property either including guttering, sheds and garages. The garden should be in good shape too, so make sure trees, bushes and shrubs are cut back and the lawn is mowed.



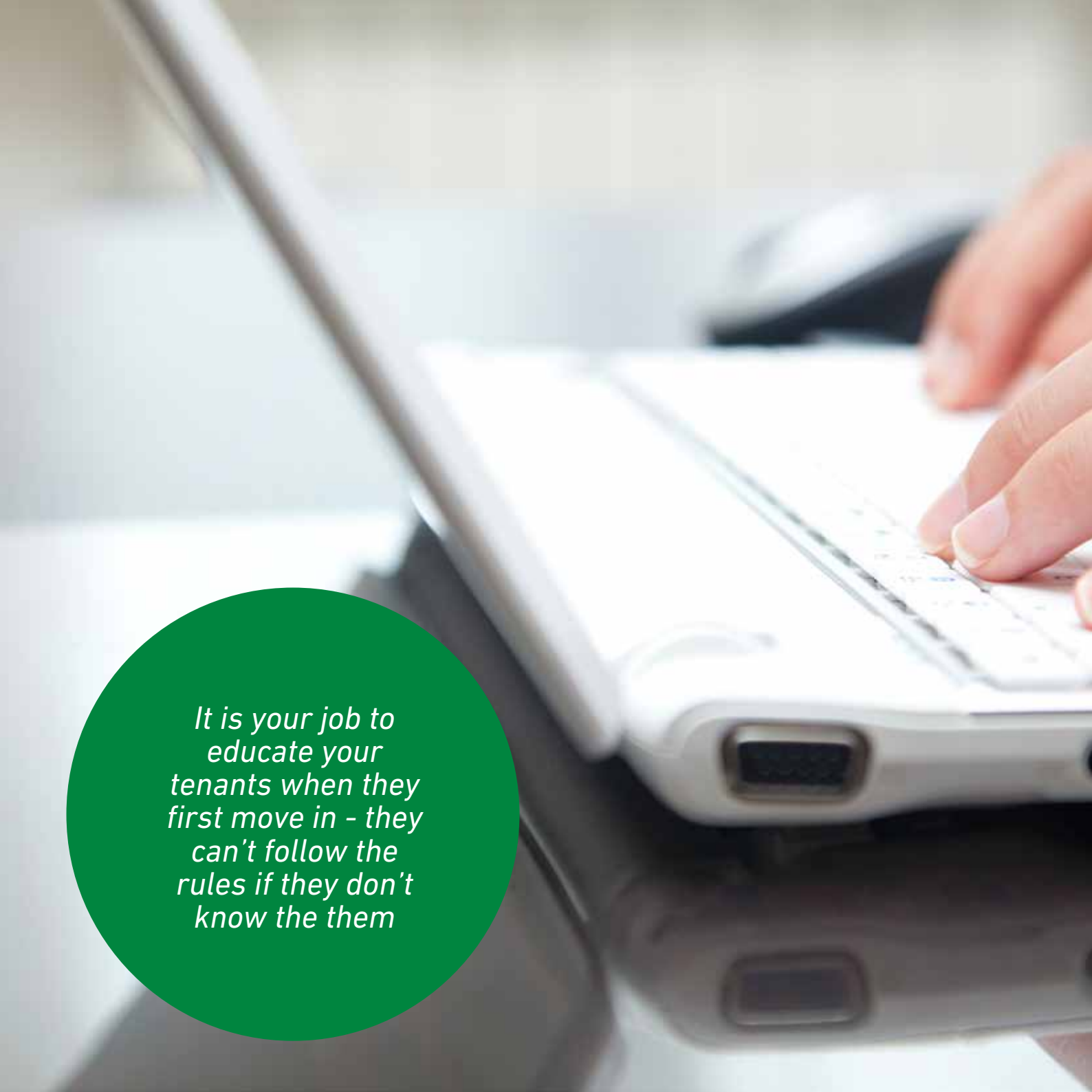
First impressions count, make sure your property is in a state that you would be happy to live in

Know the law

It is essential that you understand **both your rights and those of your tenants**. This will help you to understand where the responsibilities for the upkeep of the property lie and where you stand with regards to matters such as eviction.

One of the first things you need to take into account is what exactly you are letting. Is it a room in your house or an entire property? Will you be renting to students? Professional couples? Different types of tenants will have different needs and different laws will apply to each of them.

For example if you are renting out a room in your house rather than an entire property you can give less notice to end the tenancy agreement than if you rented out the property as a whole.



It is your job to educate your tenants when they first move in - they can't follow the rules if they don't know the them

Resident landlord

If you live in the same building as your tenant, then you will be classed as a **'resident landlord'**. This rule also applies to converted houses, so if your only or main home is a flat in a building which has been converted into flats and you then let another flat in that same building, the arrangement will not be an assured or assured shorthold tenancy (unless it is a purpose built block of flats).

You do not need to actually share accommodation with the occupier to be classed as a resident landlord – it is enough that you live in the same building as them.

In this case the law attaches considerable importance to the fact that it is also your home.

There are two basic types of letting involving resident landlords:

- Excluded Occupier - sharing facilities with the tenant
- Occupiers with basic protection - living in the same building as your tenant and not sharing any facilities.

If you are unsure, you should seek independent advice on this before entering into any agreement.




Sharing part of your home

If you are to allow someone to live in your home as a tenant, you should choose carefully and make sure you have a mutual understanding of the house rules and the pleasantries you expect from each other (see more in the 'choosing the right tenants' section).


If you need to sell your property or circumstances change to the extent that you need them to leave, you do not need to go through any special procedures, but should give them four weeks' notice. Out of fairness you should give them as much warning as possible though, so that they can find alternative accommodation.

It is important to be clear about each person's rights and responsibilities, especially regarding household bills.

Source: DCLG

A photograph of a man in a light-colored shirt standing in a kitchen, holding a green beer bottle. In the foreground, a hand is using a metal strainer to lift a portion of spaghetti from a pot. A large green circle is overlaid on the image, containing white text.

Choose carefully who you allow to live in your home and make sure you have a mutual understanding of the house rules



As a landlord you should know what you have the right to expect from your tenants

Know your rights

Every landlord has the right to:

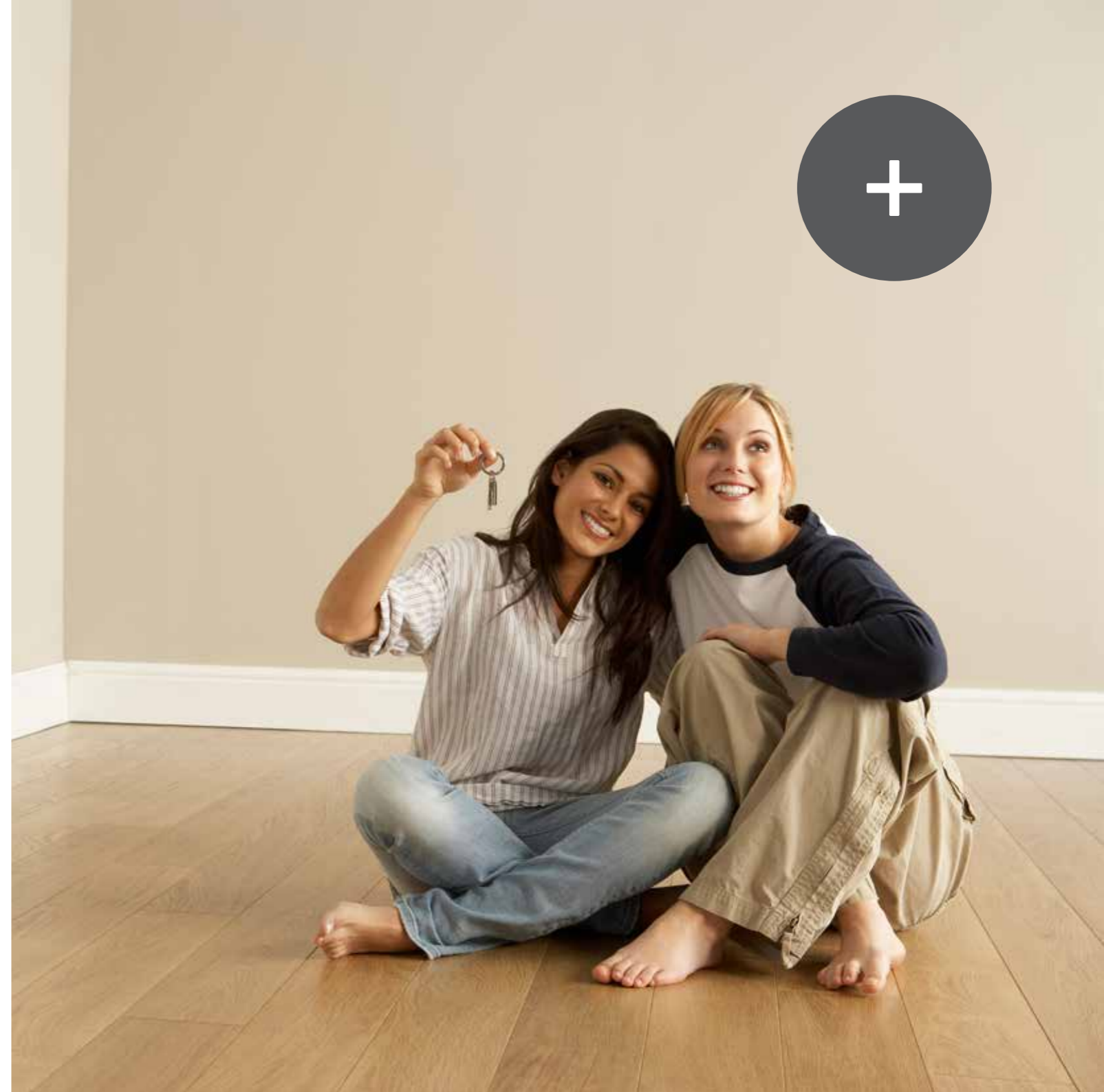
- Charge a market rent
- Fix terms of the agreement before the tenancy begins
- Receive rent as and when it's due
- Be advised of any necessary repairs needed to the property
- Be given proper notice by a tenant if he or she wishes to leave
- Reasonable access to inspect the property (by appointment)
- Ask for a deposit which can then be used to offset any damage to the property by the tenant
- Ask for rent in advance
- Choose who the property will be let to (as long as the choice is in compliance with legislation prohibiting discrimination on the basis of race, sex or religion)

Know your tenants' rights

Every tenant has the right to:

- Know the terms of the tenancy
- Know the name and address of the landlord
- A decent standard of repair in the property and safe accommodation
- 'Quiet enjoyment' while living in the property
- Have their deposit protected in an accredited tenancy deposit protection scheme
- 24 hour notice if the landlord wishes to inspect the property
- Proper notice if the landlord wants them to leave
- A Court Order if he or she doesn't leave during the notice period (as long as the tenant does not share facilities with a resident landlord).

Source: Cardiff Council



Choosing the right tenants

With the current high demand for rented properties, you are likely to have more than one set of potential tenants to choose from – **make sure you pick the right ones.** Ideally you should meet each new tenant and get a feel for what they are like as people - your gut instinct shouldn't be underestimated.

Referencing is also vital, ideally they should be able to provide a fully verifiable reference from a previous landlord. Take the time to follow these up. Also run a full credit check to assess their history and ability to pay the rent.

Rentguard have a great range of tenant referencing services available at low rates, so within 24 hours you can have a full insight into your prospective tenant's history.

There are various different types of background check which are all advisable for landlords to undertake when searching for tenants. These range from checks for the prospective tenant's presence on the electoral roll, to their existing

credit agreements and searches for CCJs and bankruptcy & IVA data. The most advisable course of action would be to undertake a full profile on any likely tenant.

You must not discriminate on who you choose as a tenant based on factors such as race and religion. The **Equality Act 2010** outlaws unlawful discrimination in relation to nine 'protected characteristics'.

These are:

- Age
- Disability*
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

*A landlord is committing an offence under the Disability Discrimination Act (1995) if they refuse to let a property because a person is disabled. It is also an offence to impose higher rental or deposit charges based on disability. Landlords are not obliged to alter a property to accommodate a person with a disability under the Disability Discrimination Act (1995), but they must not prevent a disabled tenant making reasonable alterations to improve access




Tenancy agreement

Make sure you have a legally-binding **tenancy agreement** drawn up and signed by your tenant (various templates can be found on the web) **even if you are renting to a friend or family member.**


The tenancy agreement is a **contract between you and your tenant.** The agreement details the rights of both you and your tenant, for example their right to occupy the property, keep pets etc, and your right to receive rent. It should also clearly outline who is responsible for what with regards to maintenance of the property.

The tenancy agreement can give both you and your tenant more than your statutory rights, but cannot give you less than your statutory rights. If a term in the tenancy agreement gives either you or your tenant less than your statutory rights, that term cannot be enforced.

Make sure the tenants initial and date every page of the agreement to protect yourself in the event of something going wrong and the tenant attempting to claim he/she wasn't told about that particular part of the contract. If every page is initialled and dated, and the final page signed, it is clear to all parties that the agreement has been read and understood in full. Being extra-careful while drawing up and handing over your agreement protects both yourself and the tenant from any disputes in the future.



It is imperative that you have a properly drawn up tenancy agreement in place - even if you are renting to friends or family



Since April 2007 deposits on an assured short hold tenancy must be protected in a government backed deposit scheme.

Deposits

It is common practice for landlords to take a **deposit** from their tenants to protect against breaches of the tenancy agreement, including failure to pay rent or bills, as well as damage to furniture and property itself.

Since April 2007, all landlords who take a deposit from their tenant on an **Assured Shorthold Tenancy (AST)** in England and Wales must protect it in a government-authorised deposit protection scheme. **By law**, this must take place within **30 days** of receiving it from the tenant.

If there are a number of tenants living in the property it is a good idea for the group of tenants to elect one member of their group to have their name on the deposit protection rather than electing somebody yourself. It shows a level of trust from both parties if the situation is dealt with in this way.

Similarly, securing guarantors for your tenants is the best way to protect yourself and your assets if they are students, or they are unemployed and will not be starting permanent work for the next few months; this helps avoid ugly eviction situations.

If the tenants have a guarantor in place, and said guarantor has been similarly background-checked for financial viability, then you are guaranteed to receive the required rent for your own mortgage payments. Another way of arranging the agreement would be to have the selected guarantor as a joint tenant on the agreement, at least until the respective tenant is able to cover the rent by themselves.

Draw up an inventory

Create an accurate and detailed **inventory** prior to letting. Make sure you include items in any outside areas, such as the garden, garages and sheds as well as household items such as furniture etc. Make sure you also note (honestly) the condition of each item as this is your proof of what was provided with the property, should there be any disputes further down the line.

Also take photos of the interior and exterior of your property on the day in which your tenants move in. Date stamp the photos for further proof should there be any disputes at the end of the tenancy.



Get the correct insurance cover

Get comprehensive landlord insurance that suits your individual situation

The responsibility for insuring the property is yours, not your tenants'. Be certain that you take out full **residential landlord insurance**, and that you get the right policy to suit your needs and tenants. For example, letting to students and DSS tenants may require different cover to letting to professional couples. You may also want to consider **Rent Guarantee** or **Legal Expenses** cover too.

An example of specific policy need would be a student let with five or more students and three or more floors known as an HMO (Houses of Multiple Occupation), this will cost more money to insure and also requires a special license when not run by a housing association.

You should also recommend that your tenants purchase their own **contents insurance** to protect the landlord's contents and to avoid the landlord having to make a claim on their own policies in the event of any damage.

Dealing with your tenants

Make sure reported repairs and concerns are **dealt with swiftly** - this will prevent your tenants becoming disgruntled and save you money in the long run.

Be proactive and contact your tenants a month or so after they move in to check everything is okay. You should also make a visit early into the tenancy, to check the property is being cared for.

Unless there is an emergency, make sure that you give your tenants at least **24-hour's notice** prior to visiting. Although you own the property, it is now **their living environment**, so consider how you would feel if somebody let themselves into your home un-announced.

A good working relationship requires two-way examples of professionalism, courtesy and understanding, so upholding the Landlord's

side of the tenancy agreement is imperative. For example, if the agreement dictates that broken appliances are to be replaced 'like for like', and it is clear said appliance did not break because of the tenant in question, a good landlord should replace the item swiftly and to the same quality as the old appliance.

If you are seeking contract renewals from tenants at the close of the housing contract, the tenant will be much more likely to stay in the property, if they have been treated well in their time there.

Similarly, if the property starts to show signs of age - cracks in the exterior, crumbling pointing on the brickwork, or mould and damp from condensation and old pipes for example - it is the landlord's responsibility to provide regular checks on the property for such problems and fix them where necessary. It is inadvisable to keep your property in a state of disrepair. This could result in your tenants moving on.

Finding new tenants may prove extremely difficult if the house appears to be in a worn out state. Its resale value will also be decreasing if serious problems such as damp or cracks in walls are not dealt with swiftly.



Maintaining the property

Your tenants have a responsibility to keep your property clean, in a good condition and to carry out basic maintenance, such as changing light bulbs and smoke alarm batteries. They should also keep it smoke-free (unless your agreement specifies otherwise). **Whilst you are responsible for most repairs, you should be able to claim back any damages caused by tenants.**

Damage caused by tenants or their visitors is not uncommon. There is always likelihood that tenants will cause damage to your rental property, furniture or belongings, whether by accident or on purpose.

Tenants must stick to the terms of your agreement regarding matters such as the keeping of pets – if damage or maintenance is required because of this, you can ask them to pay for the cost of the repair or make a deduction from a tenant's damage deposit.

However, you must expect a degree of **natural 'wear and tear'** to carpets and other furnishings – you can't charge the tenant for these.

Wherever you propose to charge a tenant, you must have proof that the damage was caused while the property was occupied by them (take photos prior to the moving in). Also, put together properly-costed quotes to back you up should the tenant want to dispute the figure.



Don't increase your rent unnecessarily

All tenants believe that landlords love to increase rent, but **don't let greed get the better of you.** Only increase what you are asking your tenants to pay if it's absolutely necessary, i.e. to cover your rising costs, or in line with inflation.

In setting the letting price for your property it is a good idea to try and find a balance between what else is on offer in the local area and the quality, location and look of your property. There's no point in underselling your property, compared to other properties in the area, but on the other hand **be careful not to price yourself out of the market,** especially in competitive areas, with lots of similar properties available to rent.



Tenant disputes

If the damages are considered way beyond 'fair wear and tear' and the tenant will not repair these themselves or pay for the damage, you are within your rights to serve an eviction notice and retain the sum of money from their damage deposit to cover the cost of repair.

As a last resort, you can go through a legal process to ask the tenant to repair the damage at their own expense, but beware that costs can escalate via this route. There are specialist tenant eviction services which can also help you.

The **tenancy agreement** should normally specify a notice period that you can give your tenants to vacate the property.

If the tenants remain in the property at the end of the notice period you can apply to the courts for a possession order.

If you get the possession order granted and the tenant does not comply, you can then apply for an eviction warrant from the county court. The county court will then arrange to send in the bailiffs.

Last year, **59% of landlords dealt with tenants not paying their rent**, you must make sure you have enough money in reserve to pay your mortgage should this occur.

We also recommend our **Rent Guarantee & Legal Expenses service** which covers missed payments from tenants up to £2,500 a month, it will also contribute towards any potential legal costs caused by tenant disputes.

Last year, 59% of landlords dealt with tenants not paying their rent

Safety

It is important to ensure that the property has **fire extinguishers, smoke alarms, fire blankets** and that escape routes are well thought out. This will protect both your tenants and the property itself.

Make sure that you have the on-going budget required to make any essential repairs to your property. Be sure you are aware of your responsibilities as a landlord and keep your end of the bargain, especially when it comes to tenant safety.

Landlords have a number of serious responsibilities regarding the safety of the property they are renting out to their tenants, which can be broken down into the following areas overleaf.



The safety of your tenants should be of utmost importance to you

Fire Safety

All furniture and furnishing need to meet strict criteria laid out in the **Furniture and Furnishings (Fire) (Safety) Regulations 1988** (amended 1989 and 1993). Under these regulations, all upholstered items, including beds and sofas, must have fire resistant filling and have passed a match resistance test.

Cover fabrics and filling materials must also have passed a cigarette resistance test. Most items should have a compliance code on them or proof they have been fire-safety tested. **As a general rule items bought before 1988 may need to be replaced.**

The regulations apply to pillows, beds, sofas, arm-chairs and nursery furniture but not antique furniture or furniture made before 1950, duvets, curtains and carpets.



Electrical Safety

The electrical wiring in the property must also be safe and in good working order and **smoke alarms need to be fitted** and work properly.

Wiring that is more than 15 years old needs to be inspected annually. To assess electrical safety, a landlord must ensure they use an electrician who is approved through the Part 'P' Competent Person Scheme. The relevant law regarding electrical safety for landlords is The Electrical Equipment (Safety) Regulations 1994 and Smoke Detectors Act 1991.



Gas Safety

Landlords are also required to ensure that any gas boilers and other equipment are serviced once a year. Records must be kept of the condition of the equipment and gas safety checks.

A landlord is also legally required to provide a tenant with an **annual gas safety certificate**. The service must be carried out by a contractor registered with Gas Safe. The relevant law is The Gas Safety (Installation & Use) Regulations 1998.



Carbon Monoxide Alarms

It is a legal requirement for Houses of Multiple Occupation (HMO) to have a carbon monoxide alarm fitted. However, we strongly advise all landlords to consider the installation of such alarms to protect the tenants and help prevent any legal action being taken against them should the worst happen.

Energy Performance Certificates

Since 1st October 2008, Landlords have been **legally required to provide copies of an Energy Performance Certificate (EPC) to potential tenants.** An EPC tells a landlord and prospective tenants how energy efficient a rental property is on a scale of A-G, with A being the most efficient.

The EPC certificate also indicates, on a scale of A-G, about the impact the property has on the environment. Better-rated properties to let should have less impact through carbon dioxide (CO₂) emissions. EPCs are valid for ten years, so landlords are not required to obtain a new certificate each time they re-let a property.

Source: DCLG



For more information and advice on looking after and making the most of every part of your property - please read our free property care guide.

rentguard.co.uk/mainclause/index.pdf


Evictions

In the event that you wish to evict your tenant, you must first be aware of your rights on the subject. Neither party wants to end the tenancy this way, which is why it is important to have measures such as guarantors, and a good professional relationship in place from the beginning of the agreement.

The first and most obvious case of eviction, and the easiest to deal with, would be if the tenants do not leave the property at the end of the agreement. In this case, it is fairly simple to request a notice of intention to seek possession from the court, informing the tenants of your intentions before acting on them. There is no point in going through the court if merely the threat of a court order will suffice. In the event that they firmly refuse to leave after the order has been given by the court, it is acceptable to seek further help and the court will employ bailiffs to evict the tenants on your behalf, once again informing the tenants of your proposed actions beforehand.

If the tenant is renting a room in your property, you only need to give them notice of the period of time by which they pay rent. For example if they pay weekly, one week's notice is sufficient. If they do not quit the agreement voluntarily after a week, it is within your rights to change the locks on the door.

It is always advisable to check your rights and the specific laws which apply to each situation.

A photograph of a bedroom with a bed and a suitcase, overlaid with a green circle containing text. The background is a blurred bedroom with a bed and a suitcase. A large green circle is overlaid on the right side of the image, containing white text.

For more
information on
evicting tenants visit -
[gov.uk/evicting-tenants](https://www.gov.uk/evicting-tenants)



Happy Landlording

Whether you are looking to do it professionally, or just as a side-line to your day job, being a landlord can be a very fulfilling endeavour.

Follow this guide and make sure you are one of the 'good guys' in the sector. Treat your tenants with care and respect and you will reap the rewards of a fruitful working relationship.

For more advice on being a good landlord visit:

[gov.uk/government/publications](https://www.gov.uk/government/publications)