

February 2014

Top tips for landlords renting property in the UK

There are various ways in which a landlord may let their property in the UK. Depending on their particular circumstances a landlord may wish to let a property for a definite period of time with exclusive possession under what is called an Assured Shorthold Tenancy (**AST**) (most tenancies will be this type).

If you are entering into an AST, you should always do the following:

1. **Get references** – you should obtain references for your prospective tenant(s) from at least a couple of sources. Remember that references from former employers or landlords can be forged, so you always consider obtaining a reference from a credit reference agency as well as a bank.
2. **Read the Tenancy Agreement** - this may seem obvious, but you are entering into a binding contract for a period of time and you should make sure you fully understand what it is you are agreeing to provide the tenant with.
3. **Term** - ensure you are happy with the length of the fixed term, which is often for a year. The tenant will be liable to pay the rent for the entire term of the agreement. Consider whether or not you would like a break clause in the Tenancy Agreement. A break clause will enable you to give notice to the tenant to terminate the tenancy earlier, but an AST must be for a minimum period of six months.
4. **Get it in writing, signed and dated** – again, this may seem obvious, but it is essential that the agreement is in writing. The starting point for any dispute will be whether an agreement has been entered into and what its terms are.
5. **Deposit** – if an AST is being entered into, it is the landlord's responsibility to register the tenant's deposit with one of the government authorised Tenancy Deposit Schemes within 30 days of receipt of the deposit from the tenant. The landlord must also give the tenant prescribed information within 30 days of receipt of the deposit. If these deposit requirements are not met, a tenant may sue a landlord for up to 3 times the deposit!

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6. **Take an inventory** – a landlord should always endeavour to take an inventory of the items within the property and of the condition of the property before the tenant takes occupation. This will assist a landlord in making acceptable deductions from a deposit at the end of a tenancy. An inventory is of benefit to a tenant for the same reason. The written record of the inventory should be signed and dated by both parties.
7. **Is the property managed?** – often a landlord will engage a property management company to handle the day-to-day management of the building and common areas, as well as dealing with tenants' issues. You must ensure that you engage a reputable management company that keeps you regularly updated e.g. in relation to tenant arrears.
8. **Ending the tenancy** - At the end of the fixed term of the tenancy, the landlord is entitled to have the property back and if a tenant stays on after the end of the fixed term, then it usually becomes a periodic AST on the same terms as the original AST. The landlord must serve a notice on the tenant to vacate the property, giving at least two months' written notice.
9. **Tax** – you should check that any required registrations are in place.

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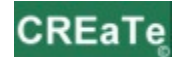
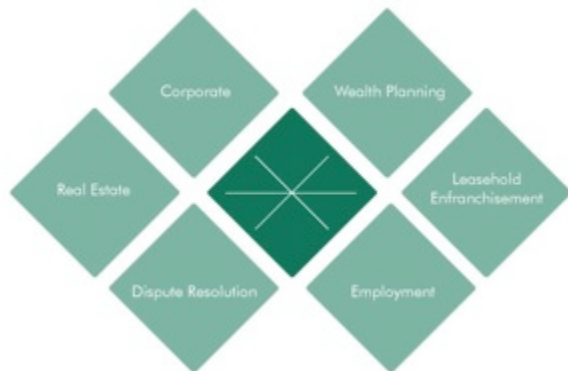
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