



# Landlords – Information you need to know

## Health and safety

To let your property successfully and safely, there are a number of health and safety guidelines you have follow to prevent tenants being injured and you from being sued or prosecuted.

### Gas safety

The main risk of not servicing or maintaining gas equipment is the potential of a gas explosion or carbon monoxide poisoning. *Landlords are required by law to service all gas-related equipment at least once every 12 months.*

Landlords must also keep a record of regular checks and the condition of equipment at all times. You must also provide tenants with an annual gas safety certificate – you are breaking the law if you do not provide your tenant with an annual gas safety certificate.

Landlords are also responsible for providing tenants with instructions for the safe use of gas appliances and equipment.

What used to be called a CORGI gas safety certificate has been replaced with what is now known a Gas Safe. Instead of being run by CORGI, the Government set up its own system of registration for gas engineers.

If you are a landlord, any gas appliances such as boilers and heaters within your property must be inspected once a year and a certificate (sometimes also called a report) produced by a registered engineer and any work done to make it safe to set standards laid down by Gas Safe.

This report must be given to your tenants within 28 days of being completed.

### Furniture and furnishings

Regulations about fire resistant furniture are strict for rental accommodation and you must ensure all relevant items meet the guidelines set under the Furniture and Furnishings (Fire) (Safety) Amendment Regulations 1993.

As a general guide, **furniture made before 1988** is unlikely to meet the standards and should be replaced before letting your property.

Any items that contain upholstery and could be used inside the property, should be checked, including:

- Beds, headboards, mattresses, futons and sofa beds.
- Children's or nursery furniture.
- Garden furniture that might be used within the property.
- Cushions, pillows.

Items that are exempt from this legislation include:

- Sleeping bags, duvets, pillow cases and blankets.
- Carpets and curtains.
- **Furniture made before 1950.**

To check items for the fire safety standards, look for a permanent label stating the regulation it conforms to. Bed bases and mattresses are not required to have this label attached, but they should have a label stating compliance with ignitability tests.

If you're in any doubt that a bed or sofa, for example, may not meet the required standard, replace them. There are substantial fines and even prison sentences imposed for non-compliance should an accident occur.

### **Electrical wiring and equipment**

The electrical wiring in your property must be safe and in good working order throughout. You must also ensure you have enough sockets to meet the need of tenants. Contact an electrician approved by the National Inspection Council for Electrical Inspection Contractors.

Wiring that is more than 15 years old should be inspected on an annual basis. Wiring that is more recent can be left for longer periods if there are no indications of any problems. An electrician's report is likely to recommend a re-inspection in between two and 10 years, although it is sensible to have these checks more frequently.

If you are planning on providing electrical equipment to your tenants, you should ensure that all items are regularly tested for safety and labelled accordingly. Get an electrician to make the necessary checks before each let and then periodically after that. Keep all electrical testing reports for your own records.



## Tenancy agreement and inventory

There are a number of crucial documents you need to have organised before you let your property. The most important is the tenancy agreement as it is the legally binding contract between you and the tenants and will form the conditions of the let.

### Tenancy agreements

The tenancy agreement is a contract between you and the tenants. It specifies certain rights to both you and the tenants, such as the tenants' right to live in the property for the agreed term and your right to receive rent for letting the property.

### Assured Shorthold Tenancy Agreement

Since the late 1990s, the AST has been the most common form of tenancy agreement and sets out the obligations of both tenant and landlord. The most important aspect of this agreement is the landlord has the right to repossess the property at the end of the agreed term.

Despite its name, the agreement does not have to be short and can continue as long as both parties are happy for it to do so. There is no minimum term specified, either, although the tenant has the right to remain in the property for at least six months.

If the fixed term is for three or more years, however, a deed must be drawn up by a solicitor.

There are specific requirements linked to an AST that include:

- The tenant(s) must be an individual
- The property must be the main home of the occupant
- The property must be let as separate accommodation

The landlord is normally obliged to provide the tenant with two months' notice if they want to terminate the agreement.

The agreement will most likely contain the following information:

- Your name, the tenant's name, the address of the property which is being let
- The date when the tenancy will commence.
- The duration of the tenancy from the start to the agreed finish of the occupation.
- The amount of rent payable, how often it should be paid, when it should be paid and when it can be legally increased.



- The agreement should also state what other payments are expected, including Council Tax, utilities, service charges, etc.
- What services as landlord you will provide, such as maintenance of common areas.
- The notice period which you and your tenants need to give each other if the tenancy is to be terminated.

### **The landlord inventory**

This is one of the most important documents in the letting process. It details the contents of the property you will be leaving for the tenants to use and the condition they are in on the day the tenant moves in. It should also include any existing cosmetic blemishes, such as peeling wallpaper or flaking paint. You should be extremely thorough and give it your full attention.

On the day the tenant moves in, both the tenant and agent (or you, if you're letting privately) will be expected to agree the exact condition of the contents of the property. All parties will initial each page and sign it. Make sure every party has a copy of the signed document. This should avoid any unnecessary disputes about any damage that may be caused by the tenant during the tenancy.

### **When should the property inventory be checked again?**

It is recommended that the landlord / agent schedule regular three monthly inventory checks at the property in order to assess any damage that may have occurred. You must provide the tenant with sufficient notification of your intention to visit the property for this purpose (24 hours should be sufficient). It is most common, however, for a final inventory check to be scheduled on the day the tenant moves out.

## Deposits

It is common practice to request a deposit from the tenant prior to them moving in to protect you from damage caused by the tenant beyond normal wear and tear, or in case the tenant leaves without paying the rent. Some agents will handle this on your behalf. It is usually equivalent to one month's rent and is taken along with the first month's rent in advance.

The tenant should be provided with a receipt and a clear understanding of what the deposit is for and the conditions for its full return. You must return the money to the tenant within a reasonable period of time after the last day of the agreement if there is no damage to the property or its contents beyond normal wear and tear and if the rent payments are up to date.

If you do decide to withhold some or all of the deposit, you must notify the tenant as soon as possible in writing, stating how much money you are retaining and why. If possible, provide receipts of estimates or costs incurred to repair damage to the property.

### The Tenancy Deposit Scheme

From 6 April 2007, new legislation was introduced to help tenants and landlords avoid and resolve disputes relating to the return and use of a tenant's deposit. Under the legislation, if landlords fail to protect the tenant's deposit, they may have to pay the tenant three times the value of the deposit.

### Why are deposits protected?

The Deposit Protection Scheme (DPS) is designed to make sure:

- Tenants get all or some of their deposit back when they are entitled to it.
- Any disputes involving landlords and tenants over the return of the deposit are easier to resolve.
- Tenants are actively encouraged to look after the property they are renting.

Whenever a deposit is taken from a tenant as part of an Assured Shorthold Tenancy, either by a landlord directly or a managing agent, it must be protected in one of the government-initiated schemes. There are two types of scheme, described as 'custodial schemes' and 'insurance-based schemes'.

### Custodial scheme

The deposit is held by the scheme for the duration of the agreement and repaid at the end of the tenancy. It is also free to use. Within 14 days of the deposit being paid, the landlord or agent must provide details to the tenant of how the deposit is protected, including:



- The contact details of the chosen Tenancy Deposit Scheme.
- The landlord or managing agent details.
- How they can apply for the return of the deposit.
- The detail concerning the purpose of the deposit.
- What to do if a dispute arises regarding the return of the deposit.

At the end of the tenancy, if an agreement is reached between both parties, the deposit will be divided up (if required) and returned accordingly. If a dispute arises, the scheme will hold on to the money until the courts or the dispute resolution service solves the disagreement.

The **DPS** is currently the only provider of the custodial scheme.

### **Insurance-based schemes**

As with the custodial scheme, the deposit is held by the scheme for the duration of the agreement and repaid at the end of the tenancy. However, instead of passing the deposit directly to the scheme, the landlord retains the deposit and pays an insurance premium to the scheme.

Within 14 days of being paid the deposit, the landlord or agent must provide details to the tenant of how the deposit is protected, including:

- The contact details of the chosen tenancy deposit scheme.
- The landlord or managing agent details.
- How they can apply for the return of the deposit.
- The detail concerning the purpose of the deposit.
- What to do if a dispute arises regarding the return of the deposit.

At the end of the tenancy, if an agreement has been reached by both parties, the landlord returns some or all of the deposit to the tenant. If a dispute arises, the landlord must hand over the deposit to the scheme until a resolution is reached. If the landlord fails to comply, the scheme returns the deposit to the tenant, if they are entitled to it.

There are two providers offering an insurance-based scheme, **Tenancy Deposit Solutions** and The **Tenancy Deposit Scheme**.

## Landlord and tenant rights and responsibilities

The responsibilities of both parties are likely to be detailed within the tenancy agreement, although some conditions may vary from one property and landlord to the next.

### Discrimination

As a landlord, it's important you are aware of your rights and the rights of those with disabilities when it comes to letting your property.

According to the Disability Discrimination Act 1995, it is an offence to discriminate against individuals with a disability in the selling or letting of a property. The act defines the term 'disability' as 'a physical or mental impairment which has a substantial or long term effect on a person's ability to carry out normal day-to-day activities'. Some examples of discrimination include:

- Refusing to let or sell a property to a person because they carry a disability.
- Imposing higher rental or deposit charges.
- Offering less favorable terms of tenancy.
- Evicting a person because of their disability.

Although landlords are not obliged to alter a property to accommodate a person with a disability, they must not prevent a tenant with a disability altering the property to improve its access.



## Preparing for your tenants to move in

So, you're now ready for your tenants to move in. Here are a few pointers and reminders to help you organise the smooth transition for you and your tenants.

### Before the tenants move in:

- Make sure the property is clean and presentable.
- Redirect your mail (if you used to live there).
- Arrange for all utility accounts to be transferred to the tenant.
- Arrange for the council tax to be paid by the new tenant.
- Make sure instructions are on all relevant appliances.
- Make sure all relevant equipment is labelled correctly.
- Prepare a number of spare keys for your tenants (if required).

### On the day your tenants move in:

- Take final meter readings and give them to the tenants.
- Conduct, agree and sign the inventory with the tenants.
- Provide your tenants with the gas safety certificate and maintenance book.
- Demonstrate the workings of relevant equipment – alarms, locks.
- Explain how to use any safety equipment – extinguishers, blankets.
- Provide emergency contact numbers and written explanations of how to deal with an emergency in the property.
- Allow the tenants to ask you any questions they have.
- Hand over the keys.