

Landlord Starter Pack



Introduction

Taking the first steps as a landlord can be both exciting and daunting. With over 150 Acts of Parliament to keep track of it may be difficult to know where to start, particularly if you are one of the many who become 'accidental landlords' through inheriting a property or moving in with a partner.

This page is designed as a primer for landlords taking these first steps in England. If you are a landlord in Wales, you should follow the different rules covered in our [Wales Hub](#).

Whether you have chosen to invest or you are an accidental landlord, this guide will get you up and running on the path to being a responsible landlord in England. We provide clear guidance on the things you must do and downloadable templates and resources to help you do this.

Before you let your property

Preparation and planning before you let out the property is key to a successful relationship with your tenant. It gives you the chance to familiarise yourself with your obligations, decide on the type of tenants you want to let to and make any adjustments you need to the property to prevent issues arising later.

It also gives you the chance to properly vet any prospective tenants. Less than 10% of tenants fall into arrears in the course of a year and fewer than 1% of tenancies end through a landlord going to court. The odds are good that if you research your tenants they will be responsible.

What do I need to consider before marketing my property?

Before you can let out your property you will need to consider:

- Who will you be letting the property to?
- Who will manage the property?
- What are my legal obligations?

Who will I let to?

Within the PRS there are a number of different types of tenancy that you can grant. The most common of these, and the one you will find it easiest to find advice for is the assured shorthold tenancy. This type of agreement will be the default where:

- the rent is more than £250 per annum or less than £100,000 per annum; and
- you don't live in the same building; and
- you are letting to people rather than companies; and
- your tenants will use the property as their main home.

Choosing your market

Along with the type of tenancy, you should also consider what your market is. The PRS is made up of a number of different niche tenant markets providing homes to groups such as students, young professionals and families. Each has their own specific need and in some cases additional rules.

Which one you choose will depend on the location of your property. However if you have the opportunity, your responsibilities will be lessened if you rent to a family. This is because most of the other markets are 'houses in multiple occupation'; homes where the sharers are not related and you have additional legal responsibilities.

The rest of this guide assumes you are choosing to rent to a family.

Who will manage/market the property?

Self-management is appropriate for landlords who live close to the property and have the time and knowledge to meet their obligations. Since most landlords have alternative employment and may not live locally, the use of agents is commonplace.

If you do choose to use an agent they can offer services ranging from marketing the property on online portals like Rightmove or Zoopla, to fully managing the property for you.

If you do decide to engage an agent you need to be aware that you are ultimately responsible for their actions so it's important you choose a responsible agent for your property.

Signs of a good agent

Agents have their own rules and regulations to follow. Checking to see whether they follow these requirements can show you whether or not they are operating lawfully.

You should check:

- which redress scheme they belong to
- whether they have client money protection
- they are clearly displaying their fees on their website and on their premises
- which deposit scheme they use

What are my legal obligations?

As a landlord you have a number of responsibilities relating to the condition of your property and your conduct towards your tenant. Most of these are best dealt with before you consider marketing the property.

If you are renting to a family, the key ones are:

- you must have an energy performance certificate that you can give to your tenants. This must show the property is rated A-E for energy efficiency.
- smoke alarms should be fitted on every floor of the property with CO alarms in every room with a fuel burning appliance
- you must have certificates from a competent person showing your gas and electrical installations are safe to use
- you will need to provide a privacy notice explaining how you will use, store and dispose of any prospective tenants data
- if you require a mandatory or additional HMO licence you must have at least applied for one and you must comply with the HMO management duties
- if your property is in a selective licensing area then you should apply for a selective licence.
- the property must be fit for human habitation and in a good state of repair

Creating the tenancy

Once you have settled on a suitable tenant there are a few things you will still need to do before entering into the agreement.

Before you enter into the agreement

You will need to check that everyone over the age of 18 has a 'right to rent' in the UK. Normally this means meeting the occupiers in person and checking their passport to verify their identity and their right to stay in the UK. During the coronavirus pandemic you should follow the Government's temporary measures instead.

If you or your agent received a deposit, even a partial one, before the agreement is signed this will trigger the deposit requirements. You will need to protect that deposit within a Government-approved scheme within 30 days of that payment being received. Once the deposit is protected you will also need to serve the prescribed information and anything else required by the scheme's rules to all of the tenants and anyone who has paid towards the deposit. This also needs to be done within with 30 days of the initial payment being received.

If you require a guarantor as a condition of granting the tenancy you also need to provide them with a guarantor document and a copy of the agreement prior to signing the agreement. This needs to be completed in full and returned to you before you agree to enter into the tenancy.

Entering into the agreement

When you enter into an agreement with your tenants you should have a written tenancy agreement setting out the terms that both of you can agree on. The NRLA has drafted a number of assured shorthold tenancy agreements for use in this way. The most common one is the standard Assured Shorthold Tenancy Agreement.

In addition to this you must provide your tenant with copies of:

- the current gas safety certificate no later than the date on which they occupy the property
- the current electrical safety certificate
- a valid EPC showing the property has an energy efficiency rating of A–E
- the latest copy of 'How to rent: a checklist for renting in England'

You should keep a record of this to show you have met your legal obligations and because you will need this information later should you need to seek possession from your tenant. The NRLA has produced a tenancy receipt form that lets you record this.

Before the tenants move in

Before your tenant moves into the property you should ensure you have sent them a welcome letter covering any information they need to know about the property. Immediately prior to their occupation, you or an inventory clerk should perform an inspection to compile an inventory. This record of the property condition protects you by showing the tenant and the deposit schemes what condition the property should be returned in.

After the tenants move in

Once your tenants move in you should continue to keep in touch with them to arrange regular inspections, replace gas safety certificates and generally keep an eye out for any potential repair issues that may crop up during the course of the tenancy. When you request access to the property you should always ensure you are giving at least 24 hours notice in writing. The tenant is still free to refuse you access however.