

LETTING OUT YOUR PROPERTY

The key questions you need to ask

If you are thinking about letting your home, the process can be a complex and time-consuming one, but the rewards can be considerable when you get everything right.

Before you begin the process of letting your property, you need to be thoroughly prepared. There is a lot to do and plenty to think about before you can think about getting your new tenants through the door. These are the key questions you need to ask:

ARE YOU GOING TO USE AN AGENCY?

Agencies can assist you with many of your responsibilities for a fee. They can manage the property fully, or merely help you with finding tenants – if you choose an agency, make sure they carry the ‘Safe Agent’ accreditation and speak to a few to make sure you find the right one. Ask for the contact details of other landlords that could give you an agent reference.

DO YOU HAVE A BUY-TO-LET MORTGAGE OR PERMISSION FROM YOUR MORTGAGE COMPANY TO LET THE PROPERTY?

If you currently have a mortgage, you should have either of the above before you rent your property; speak to your mortgage company if you’re unsure.

IS YOUR PROPERTY IN GOOD CONDITION?

Both the inside, outside, fixtures and fittings should be in good condition, structurally and aesthetically. Make sure you have checked for signs of mildew or rot and that everything is clean and well kept.

IS THE GARDEN IN GOOD CONDITION?

Prospective tenants may dismiss a property immediately if the garden is poorly kept.

ARE YOU RENTING IT FURNISHED OR UN-FURNISHED?

Consider how you may review the price if you’re leaving your furniture and make sure the maintenance of your furniture is included in the Tenancy Agreement.

IF RENTING FURNISHED, DOES YOUR FURNITURE CONFORM TO THE LEGAL FIRE RESISTANT STANDARD?

For example, sofas and armchairs must have labels proving that they comply with this standard.

DOES EVERYTHING WORK?

Tenants will check, so make sure you have tested and fixed any issues with the window and door locks, lighting, heating, water, appliances, phone, television and internet connections. You should also leave copies of all relevant instruction manuals for your tenants.

HAVE YOUR ELECTRICAL APPLIANCES UNDERGONE A PORTABLE APPLIANCE TEST (PAT)?

There is no requirement for annual checks (as with gas appliances) but the Electrical Equipment Safety Regulations state that landlords must ensure electrical equipment and systems are safe and maintained in a safe condition during the tenancy.

ARE THERE ENOUGH SMOKE ALARMS AND DO THEY WORK?

IS THERE A BURGLAR ALARM AND DOES IT WORK?**DO YOU HAVE A CURRENT GAS SAFETY CERTIFICATE?**

The certificate must have been provided by a Gas Safe engineer within the past 12 months in order to be valid.

DO YOU HAVE A VALID ENERGY PERFORMANCE CERTIFICATE (EPC) FOR THE PROPERTY?

EPCs compare the current energy efficiency and carbon dioxide emissions of your property with potential figures it could achieve – any house that is bought, sold or rented requires a valid EPC. They are valid for 10 years.

HAVE YOU PROTECTED THE TENANT'S DEPOSIT WITH AN APPROVED TENANCY DEPOSIT PROTECTION SCHEME?

There are three government-approved schemes – The DPS, the only free-to-use scheme, The Dispute Service and MyDeposits. It's compulsory to protect tenants' deposits.

HAVE YOU PROVIDED THE PRESCRIBED INFORMATION TO THE TENANTS?

This is a requirement of the tenancy deposit protection scheme. You must provide certain information to tenants either as part of the Tenancy Agreement or on a separate form.

DOES YOUR PROPERTY NEED A HOUSE IN MULTIPLE OCCUPATION (HMO) LICENCE?

DirectGov guidance states that this is required if the property is over three storeys, or occupied by five or more people who form more than one household.

HAVE YOU OBTAINED AN HMO LICENCE?

You should also provide a copy of this to your tenants for their information.

HAVE YOU DECIDED ON RENTAL VALUE?

Make sure you're pricing your property competitively by looking at similar properties in the same location. Also decide how often this will be paid and how.

HAVE YOU SET THE DEPOSIT AMOUNT?

Make sure you charge more than one month's rent; this will give you some protection against damage in case the tenants leave without paying the last month's rent.

HAVE YOU DECIDED WHAT YOU ARE ASKING TENANTS TO PAY FOR?

Traditionally tenants are asked to pay rent, council tax and all utility bills – it's your choice if you choose this option or include this with rent. Either way, clearly state what must be paid in the tenancy agreement.

DO YOU HAVE A RENT BOOK, OR SOMETHING SIMILAR, IN ORDER TO KEEP TRACK OF PAYMENTS?

This will help in the long run if there are any issues over missed rent payments.

HAVE YOU RUN THE RELEVANT REFERENCE CHECKS ON YOUR TENANTS?

You can pay for tenant referencing and credit checks with a variety of providers.

ARE YOU INSISTING ON A GUARANTOR?

The guarantor will be responsible for losses if the tenant defaults on their payments or any other obligations.



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HAVE YOU DRAWN UP A TENANCY AGREEMENT?

This should include clauses for every part of the tenancy from rent amount and tenancy term to responsibility for garden maintenance and replacement of fixtures/fittings. It's advisable to seek legal advice when putting this together and it must be signed by both you and your tenants.

HAVE YOU PERFORMED A FULL CHECK-IN REPORT?

Catalogue the condition of every part of the house and ensure your tenant is present for this and signs the document. You may wish to enlist the help of an impartial third party, like an inventory provider, to produce this for you.

HAVE YOU TAKEN PHOTOS OF THE CURRENT CONDITION OF THE PROPERTY?

Photos will compliment the check-in report and are useful if the deposit is disputed at the end of the tenancy. You should make sure photos are dated and signed by your tenants.

WILL YOU PERFORM A CHECK-OUT AT THE END OF THE TENANCY?

This will allow you to accurately determine whether any damage has been caused throughout the tenancy or if anything has been removed from the property – it's also useful as evidence during a deposit dispute.

Ensure your tenant is present for this and signs the document, or be able to prove you offered them the opportunity to be present.

ARE YOU KEEPING COPIES OF ALL COMMUNICATION/DOCUMENTATION BETWEEN YOU AND YOUR TENANTS?

This will be particularly useful where there's a dispute over the deposit.

PROFESSIONAL FINANCIAL ADVICE YOU CAN TRUST

There is no need to spend hours searching mortgage comparison sites – we'll give you whole of market independent advice. Simply contact us now by phone or by email and one of our experienced advisers will be happy to help. We look forward to hearing from you.

This factsheet relates to England and Wales. Information is based on our current understanding of taxation legislation and regulations. Any levels and bases of and reliefs from taxation are subject to change. Tax treatment is based on individual circumstances and may be subject to change in the future. Although endeavours have been made to provide accurate and timely information, we cannot guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough review of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions.

YOUR HOME MAY BE AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE OR ANY OTHER DEBT SECURED ON IT.

