

Health and safety

In order to let your property successfully and safely, there are a few health and safety guidelines you have follow to avoid being prosecuted or sued as well to help prevent the tenants from injuring themselves.

Gas safety

As we are aware these days, in a majority of properties, gas is used for heating and cooking, as it tends to be used on a daily basis it does therefore increase a risk potential issues. By keeping the gas appliances service and maintained on an annual basis prolongs the life and reduces the potential chance of failure. Risks involved of not servicing or maintaining gas equipment could lead to a serious gas explosion or carbon monoxide poisoning. By law Landlords are required to service all gas-related appliances at least once every 12 months. Letting agents or landlords must also keep a record of the regular checks and the condition of the equipment at all times. Once the relevant servicing has been carried out and passed accordingly, you must also provide tenants with a copy of the annual gas safety certificate. If you do not provide the tenant with a copy of the annual gas safety certificate, you are in breach of the law.

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

In the past it used to be called a CORGI gas safety certificate, this has recently been replaced with what is now called a Gas Safe. The Government have set up its own system of registration for gas engineers. If you are a landlord, any gas appliances such as boilers and heaters within the property must therefore be inspected once a year and a certificate or report must be 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.

Likewise another thing to take note is the electrics and the general wiring within your property. The electrical wiring in your property must be in good and safe working order throughout. You must also ensure that there are enough sockets within the property to meet the need of any potential tenants. If needed you can contact an electrician who is approved by the National Inspection Council for Electrical Inspection Contractors.

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

If you are planning on providing electrical equipment to your tenants, for example televisions, microwaves etc you should ensure that all items are regularly tested for safety and labelled accordingly. For this, it is advisable to have an electrician to make the necessary checks before each let, and again periodically after that. It is recommended creating a property file to keep all the electrical testing reports for your own records.

Furniture and furnishings

Regulations regarding fire resistant furniture are strict for rental accommodation and you as a landlord must ensure all relevant items meet the guidelines set under the Furniture and Furnishings (Fire) (Safety) Amendment Regulations 1993. If you're unsure about this regulation there is plenty to view on the internet

however as a general guide, any furniture made before 1988 is unlikely to meet the standards and should be removed and or replaced before letting your property.

It should be noted any items that contain upholstery and can be used inside the property, should be checked. For example this may include the following:

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

Some items are exempt from this legislation for example include:

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

To check items for the fire safety standards, quite simply look for the permanent label which states the regulation it conforms to. In most cases bed bases and mattresses are not required to have this label attached, but they should have a label stating compliance with ignitability tests.

A simple rule would be that if you're in any doubt that a sofa or bed, for example, may not meet the required regulations and standards, remove it and or replace it. Penalties can be rather strict and quite rightly so and if found to be non-compliant may result in substantial fines and even prison sentences imposed if accidents occur.

Tenancy agreement and inventory

There are a number of key documents you need to have set in place before you rent out your property. The most important is the assured shorthold tenancy agreement for example as this is the legally binding contract between you and the tenants that will form the conditions of the rental agreement.

Tenancy agreements

The assured shorthold tenancy agreement is a contract set in place between you and the tenants. It will specify certain rights to both you, the landlord and the tenants, this agreement will for example will provide details of the tenants' right to live in the property for the agreed term and start date and your right to receive rent for letting the property.

Assured Shorthold Tenancy Agreement

Since the late 90s, the Assured Shorthold Tenancy Agreement (AST) is the most common tenancy agreement. This legal binding agreement sets out the key and main obligations of both tenant and the landlord. There are many important aspects within the document however the most important part of this agreement is that the landlord does in fact have the right to repossess the property at the end of the agreed term. Despite its name, the agreement does not have to be short agreement and can in fact continue as long as both parties are happy for it to do so. There normally isn't a minimum term specified, either, although as a rule the tenant has the right to remain in the property for at least six months.

If there is a fixed term set in place 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 let as separate accommodation
- The property must be the main home of the occupant

Also it is noted that the landlord is normally obliged to provide the tenant with two months' notice if they want to terminate the agreement.

The tenancy agreement will more than likely contain the following information:

- Your name, the tenant's name, the address of the property which is being let
- The start date from when the tenancy should begin
- The length of the tenancy from the start to the agreed finish of the agreement
- The monthly rent payable, when it should be paid and how often it should be done. Also if and when it can be legally increased
- The agreement should also state what other payments the tenant is expected, for example including Council Tax, utilities, service charges, etc.
- What services the landlord you will provide, for example maintenance issues as well as common and communal areas if applicable
- The notice period which you and your tenants need to give each other if and or when the tenancy is to be terminated

The landlord inventory

This is also one of the most important documents within lettings. This document details the contents of the property you will be leaving for the tenants to use and it also gives a clear understanding of the condition they are in on the day the tenant moves in. It will also include any existing signs of wear and tear for example marks to walls, blemishes, if any and other examples such as peeling wallpaper or flaking paint. It is highly recommended that you should be extremely thorough and give it your full attention.

As a rule the day the tenant moves in, either you, the landlord or the agent if you're renting out privately with the tenant will be expected to agree the exact condition of the contents of the property. All parties should initial each page and sign it. Once this is carried out both the landlord and the tenants 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 interim inspections should be carried out by the landlord or their representing agent on a regular basis between eight to twelve weeks intervals at the property just in order to ascertain any damage that may have accidentally occurred. Normal 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 this needs 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 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 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 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 favourable 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

Some information contained herein may have changed since it was first published. H&B Lettings Ltd strongly advises you to seek current legal and/or financial advice from a qualified professional, or for further details and advice by all means contact us and we will assist where we can.