

Our
10 Top Tips
for
Residential
Landlords

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Residential Landlords

The relationship between a residential landlord and their tenant is based on all sorts of duties and obligations. These need to be established from the outset, and maintained throughout the tenancy.

If you are a landlord, our top tips should help you get this right.



01

Are there legal requirements to consider when renting a property to residential tenants?

Before you decide to rent out your house, flat or other residential property, make sure you have a handle on what it offers. You will not only be able to properly market it and achieve the best rental price, but by taking a good look around it, you will notice the things that are in need of repair. It is important to get the property into a fit state for your tenant, and there are certain legal minimums.

Under the Landlord and Tenant Act there must be proper working sanitation facilities (such as basins, sinks, baths and toilets), heating facilities, and installations which supply water, gas and electricity. The structure and exterior of the property - drains, gutters and external pipework, for example - must also be working properly.

Keep a close eye on the condition of the property as time goes by. Landlords have an ongoing legal duty to keep these aspects of the property in repair and in proper working order.

02

Do I need to make a record of the property's condition before the tenants move in?

Taking photographs of the property's condition could help you avoid disputes during or after the tenancy. Once you are ready for the tenant to move in, have a schedule of condition prepared which includes photographs demonstrating the condition of all aspects of the property. Make sure that particular attention is paid to those features covered by the Landlord and Tenant Act and which must be in good working order. It is also a good idea to get evidence that you dealt with problems with the property's boiler or guttering, for example, as they arose during the course of the tenancy.

Your photos will help prove that you complied with your repair and maintenance obligations under that Act. They could also help you show that any damage found at the property has been caused by the tenant and that they should pick up the repair costs.

03

Can I run background checks on a potential tenant?

We're not talking surveillance, but it is sensible to carry out some simple background work. Without this, you really are stepping into the unknown. Credit checking is always a good idea. Follow up on the references prospective tenants provide; other people's experiences can be telling. Always meet the tenant before signing them up. You will know if they are the sort of person you're looking for.



“A written agreement should enable you to sort it out quickly.”

04

Do I need a written tenancy agreement?

It is every lawyer's mantra, but this really is essential. A properly drawn-up agreement will contain all the terms you need to ensure that you and the tenant understand what is expected of you both during the tenancy. It is a way of avoiding disagreements. But even where a dispute arises, a written agreement should enable you to sort it out quickly.

Another major benefit of having a tenancy agreement is that if problems arise and you need to evict your tenant, you will be able to issue an Accelerated Possession claim. It means the eviction could happen far more quickly than under the standard possession process.

05

Can I require the tenant to pay a deposit?

A tenancy deposit is a form of protection for landlords. If the tenant damages the property or fails to pay rent or to meet other obligations, you will be able to use the deposit to compensate you for your losses. Deposits aren't vast sums – they are usually one or two months' rent - but that can be useful to call on.

There is a slight downside, as there is a strict process to follow. If you decide to ask a tenant for a deposit, you will need to comply with statutory obligations and put the deposit into a government-backed tenancy deposit scheme. This generally applies to all residential tenancies created after 6 April 2007 and it protects tenants' deposits until any issues at the end of the tenancy are sorted out.

If the proper procedure is not followed and a tenant's deposit isn't protected in this way, you will encounter major difficulties in the event that you wish to ask your tenant to leave.





06

Can I require the tenant to provide me with a guarantor?

When a tenant defaults on rent it is usually because they can't, rather than won't, pay. In that situation, there would be no point in suing; getting a judgment against them wouldn't take you any closer to your money. Think about making it a term of the tenancy agreement that payments due are guaranteed by someone with a more secure and sound financial standing than the tenant. It's good to know that you have that protection in place.



07

How long is the tenancy for?

Every tenancy is a commitment; a set of promises between landlords and tenants. How long do you want to be tied to having the tenant in your property? How long do you need the financial security of monthly rental payments? Two different questions, each requiring careful thought.

The minimum initial fixed term for any standard residential tenancy is six months, although you can decide to make it longer. Even if you don't agree a longer term, a fixed term tenancy will automatically continue as a statutory periodic tenancy, with rent payable at the same frequency as before, following the expiry of the initial period.

So it pays to understand exactly what you are agreeing with the tenant and how you would like the tenancy to pan out. For example, if you agree a longer fixed term and it transpires that you would like to remove your tenant during the agreed period, but the tenant is not in breach of any of the terms of the agreement, you would be required to wait until the end of the fixed term before you can lawfully regain possession.



08

Do I need to retain records of the tenant's payments?

You are a landlord. You are running a business. So make sure that your paperwork is taken care of. In particular, keep records of rent payment dates and the dates on which payments are made. You'll quickly see if a tenant has defaulted, and you'll be able to act on it.

Having properly compiled, accurate records makes the process of taking action for rent arrears far simpler.

09

What should you do if your tenant misses a rent payment?

However tempting it might be to take a missed payment of rent in your stride for the sake of good landlord/tenant relations, it is important to deal with it properly. A tenant who fails to pay rent when it falls due is breaching their obligations. It is not uncommon for one missed payment to be the first of many.

How you choose to handle the situation should depend on all the circumstances. We often advise clients to serve a Section 8 notice to protect their position and prevent further arrears accruing.



10

Should I take legal advice before entering into a tenancy?

We would say that, wouldn't we? But the reality is that landlord and tenant law has all sorts of intricacies which can catch people out. It is partly about process, but it is also something which if used properly can create a robust platform for the landlord's business. That's where specialist legal knowledge helps grow and protect landlords' commercial interests.

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