

eBook 4

# Letting Legally and Safely



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# Letting Legally and Safely

## About this eBook

Thank you for downloading this eBook, which accompanies the fourth episode of the Buy to Let Show, the only programme which gives you all the information you need, whether you are thinking about buy to let for the first time, or are an existing investor and landlord.

The show was created with the support of Direct Line for Business and some of the top finance, legal, health and safety experts in the country as well as successful property investors and landlords.

Whether you are already investing or are thinking about buy to let, these eBooks and the show will make sure you are equipped with all the resources you need, as well as information about companies or organisations that can help you at every stage.

In the first three eBooks of this series, we considered whether buy-to-let is still a viable investment, looked at financing and insuring your property, and helped you choose a property to rent out. In this book, we will look at one of the most misunderstood areas of buy to let – the legal and health and safety aspects of letting a property.

There are currently 160 laws and more than 400 rules and regulations relating to letting a property. And since April 2017, local authorities have become much more strict; they are now able to fine landlords up to £30,000 and even ban serial offenders from letting their property. Clearly this is an area of letting which is too important to ignore – as letting legally and safely will protect your tenants and your investment.



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### EXPERT TIP

It seems we're getting new laws every month so it's really important that landlords keep themselves up to date. You can read up online, you can join an association like the RLA who send out regular updates to members. If you're self-managing, definitely join an association and if you use an agent, make sure they are a member of a recognised body like ARLA or NALS.

**JOHN STEWART**  
rla.org.uk



# Meet the experts from this show



## **KATE FAULKNER, PROPERTYCHECKLISTS.CO.UK**

Contact via [Propertychecklists.co.uk](http://Propertychecklists.co.uk)

Kate Faulkner is widely regarded as one of the UK's leading independent property experts. She divides her time between consumer education and consulting with the renting and letting/property investment sector, from high street agents to government departments. She has written several property books, including the Which? Essential Property Guides, and is regularly featured on TV and radio as an expert property market commentator.



## **CHRISTINA DIMITROV, DIRECT LINE FOR BUSINESS**

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Christina is the business manager at Direct Line for Business, where her focus is on improving the customer proposition. With a background in strategy consulting and e-commerce, she has spent five years working in consumer insurance across different products.



## **STEVE HARRIOTT, TENANCY DEPOSIT SCHEME**

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Steve Harriott is the Chief Executive of the Tenancy Deposit Scheme (TDS), which runs tenancy deposit protection schemes across the UK. It currently protects around 1.4m tenancy deposits with a value of more than £1.5bn. TDS also deals with tenancy deposit disputes and in 2016-17 resolved more than 15,000 disputes free of charge to tenants and landlords.



## **PAUL SHAMPLINA**

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[Submit a call back form](#)

The founder of Landlord Action, Paul has acquired a reputation as "The Landlord's Friend" and in 2015 co-wrote a book for landlords. He regularly appears on TV and radio, including Channel Five's hit series, Nightmare Tenants, Slum Landlords, with the third series due out in 2017. Paul also co-hosted the The Property Hour with Clive Bull on LBC Radio.



## **TIM BISHOP, BONALLACK & BISHOP**

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Tim Bishop is Senior Partner of solicitors Bonallack and Bishop. In addition to providing a full range of legal services to private and business clients, the firm has a specialist and highly experienced team providing expert legal and tax advice for buy to let landlords and property investors nationwide. Tim is also a property investor and developer in his own right.





**JOHN STEWART, RESIDENTIAL LANDLORDS ASSOCIATION**

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John is the Policy Manager at the RLA. He has over 20 years' experience working in politics, as a successful election agent, MP's assistant, local councillor and council leader, and is a former charity chief executive. He oversees RLA policy work across all levels of government, working to ensure landlords' views are represented and that officials, MPs, Assembly Members and local councillors have key information and evidence about the PRS before they take decisions.



**ARAN HENNESSY**

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Aran Hennessy is a Principal Environmental Health Officer in the Community Protection service at Nottingham City Council. He studied Environmental Health at Ulster University in Northern Ireland, and has over five years' experience working in private sector housing enforcement in Northern Ireland, Yorkshire and Nottingham. He is certified by the Environmental Health Registration Board in HHSRS competency.



**DAVID HOBBS, NOTTINGHAM CITY COUNCIL**

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David Hobbs graduated from Nottingham Trent University in 2001 in Environmental Health BSc (Hons). He initially worked as an Environmental Health Officer at Nottingham City Council, then spent 18 months in the NHS in a public health role before returning to Nottingham to manage a small area based team responding to housing complaints and HMO licensing. He is now an Operations Manager managing the team responsible for delivering Nottingham's additional and mandatory HMO licensing schemes.





# Keeping up with lettings legal

We like to think that nobody sets out to be a rogue landlord but it's very easy to fall foul of the law by accident now that there are 160 laws and more than 400 rules and regulations to follow, covering such diverse topics as:

*security*  
*rent increases* **damp** *noise*  
right to rent checks *data protection*  
energy performance *carbon monoxide*  
**deposit protection** *excess heat and cold*  
*hygiene* *tenant privacy*  
*taxation* *health and safety*  
*smoke alarms* **licensing**  
*mould*

And you don't just have to know all these laws, you need to understand how to interpret them and keep up to date with any changes and new rules and regulations as they're passed.

To complicate matters further, while England, Scotland, Wales and Northern Ireland share some lettings rules and regulations, each has now adopted new ones unique to their country. And there are further variations according to local authority, particularly when it comes to licensing of Houses in Multiple Occupation.

For this reason, it is vital to research the legal requirements according to the location of your property, especially if you don't live in the same area.

While in the past most local authorities carried out little in the way of enforcement, since April 2017 they have been able to fine landlords up to £30,000 and, in the case of serial or serious offenders, even ban them from letting their property.

But apart from avoiding a huge fine, abiding by the rules and regulations has several other key benefits:

**1** Keeps your tenants safe

**2** Protects property from damage

**3** Easier to let, reducing voids

## Where to start?

A good place to start is to ensure you do **at least** one of these three things:

1

Use an ARLA, NALS, RICS  
or UKALA agent

arla | **propertymark**



2

Join a local authority  
landlord scheme if there is  
one in your area



3

Become a member of a  
landlord association such  
as the **Residential  
Landlord Association** or  
the **National Landlords  
Association**



All of these organisations and companies will not only help you keep up to date with new laws, but also let you know when the existing laws change, too.

### EXPERT TIP

You need to surround yourself with the right people. You need specialists, so you need solicitors who really understand buy to let landlords and investors. It's the same with accountants and letting agents. This is a business and needs to be treated as one.

**TIM BISHOP**  
[bishopslaw.co.uk](http://bishopslaw.co.uk)





## Checklist: Why join a landlord association?



Being a member of a landlord association can help to attract tenants due to adhering to codes of conduct giving the tenant piece of mind they and the property will be well cared for. Check what a landlord association offers, typically you should look for:

- Being a member of a landlord association can help to attract tenants due to adhering to codes of conduct giving the tenant piece of mind they and the property will be well cared for. Check what a landlord association offers, typically you should look for:
  - Legal and other essential news updates to keep on top of regulations
  - Members' advice line via phone or online to answer specific queries
  - Cost-effective products offering great value on essential landlord services such as insurance, mortgages and deposit protection
  - Solutions that allow you to manage your portfolio
  
- Do they have a good range of free documents and guides for you to easily access? [Click here for an example of what the RLA offer for documents and guides.](#)
  
- What services do they offer and are they exclusive?
  - Deposit protection
  - Specialist landlord insurance
  - Tenant credit checking and referencing
  - Help with taxation
  - EPCs
  - Inventory solutions





Do they offer cost effective or free training on issues which affect landlords?

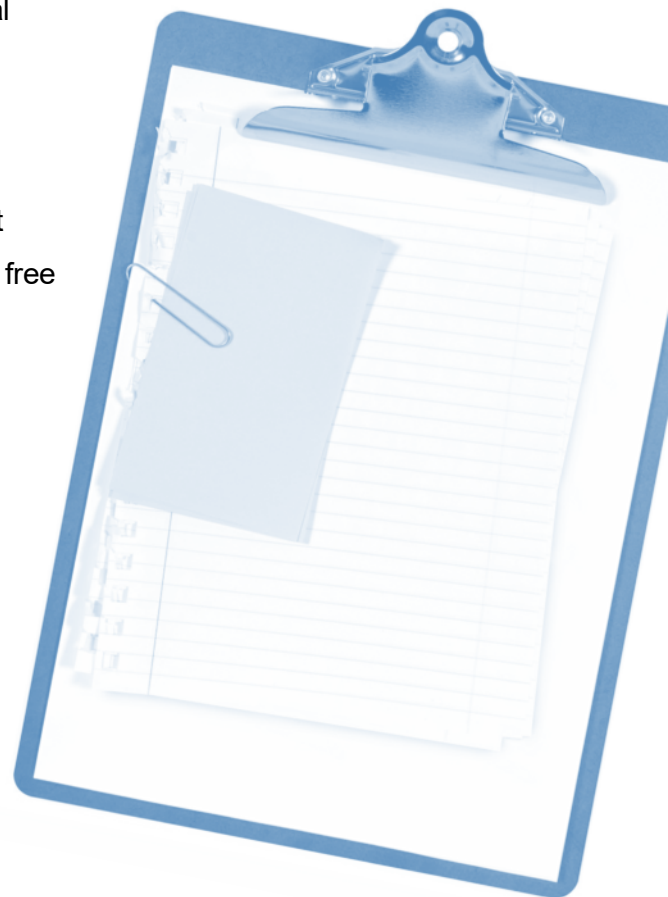
- Principles of letting
- Universal credit
- HMO licensing
- Taxation

Ask questions such as:

- Are there any hidden charges?
- Will I just get constantly sold to?
- What help have they given you?
- What influence does the organisation have on local and national landlord legislation?

Compare costs not just looking at annual membership but making sure you know what other help you will receive for free or at a discounted price too. For example, how many free associate members are available?

[Click here to see the services RLA provide.](#)



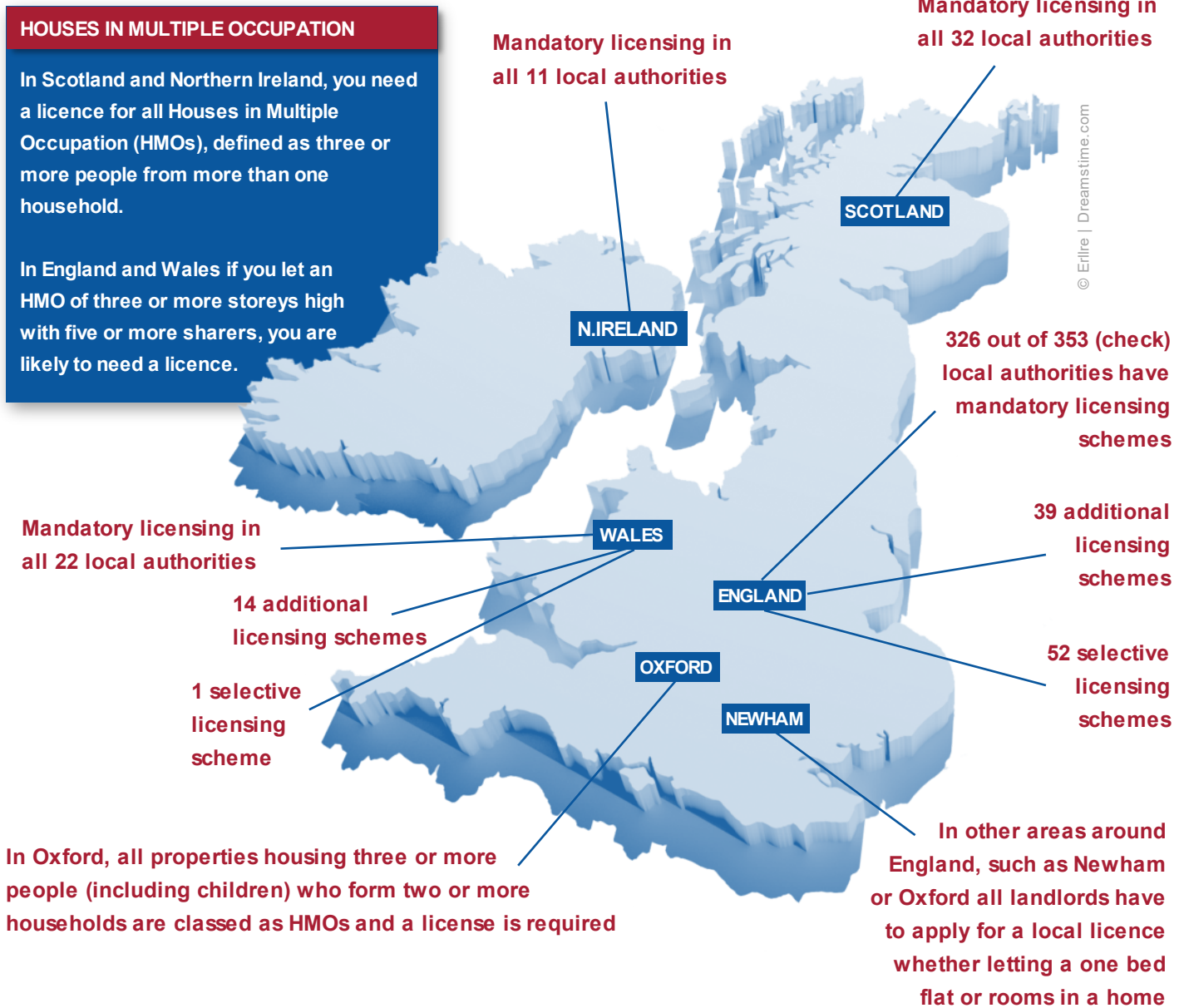
**Call the Residential Landlords Association on 0161 962 0010**



**Visit the website at [rla.org.uk/o.uk](http://rla.org.uk/o.uk)**

# Licensing and regional variations

Depending on the location of your property, you may require a licence to let it to tenants. In some cases, it is the landlord who needs to be licensed, in others it's the property; it may even be both.



*NB: This is by no means a comprehensive guide, so please do check with your letting agent and local authority before letting.*

Failure to keep up with landlord licensing means you could be fined up to £20,000, so it really is worth making sure you stay on the right side of the law.

# Housing Health and Safety Rating System

One of the most misunderstood elements of property laws is the Housing Health and Safety Rating System (HHSRS). This is a national standard that needs to be adhered to but beware: Scotland has a different set of rules. Here, environmental health officers Aran Hennessy and David Hobbs, from Nottingham City Council, talk us through the 10 most common problem areas.

## Our expert environmental health officers recommend

**ARAN HENNESSY**  
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**DAVID HOBBS**  
nottinghamcity.gov.uk



### 1 DAMP AND MOULD



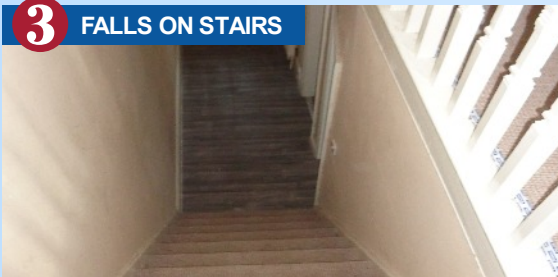
Condensation is a big issue so extractor fans should be vented to the outside and, if you're purchasing new double glazing, make sure it is fitted with trickle vents. Rising damp, penetrating damp and traumatic damp are also common so get the right advice from someone who is very knowledgeable in the area.

### 2 EXCESS COLD



Excess cold causes thousands of deaths per year and this can be reduced by ensuring the heating system is appropriate. Portable electric heaters aren't enough; you need a real central heating system. Also ensure the loft is insulated to the recommended minimum level, which is 27cm deep.

### 3 FALLS ON STAIRS



This is one of the main issues we see. Traditional stairs are quite narrow and if a person falls, it can cost the NHS up to £3000 to fix a broken arm so a handrail is a good investment.

### 4 RISK OF FIRE



We would recommend a hard-wired smoke detector system on each level, interlinked so if one is activated they all go off. It's also now the law now that the landlord installs and maintains a fire protection system in the property.



## Our expert environmental health officers recommend

### 5 ELECTRICAL HAZARDS



Landlords should be proactive in maintaining their electrical system. We recommend a five yearly inspection plus, ideally, an inspection when a tenant moves out as well. This is a legal requirement in Houses in Multiple Occupation.

### 6 FOOD SAFETY



If the kitchen is in a poor state of disrepair, this indicates a lack of landlord maintenance. If seals have disintegrated, they can harbour bacteria and lead to food safety issues.

### 7 LEVELS



It's important that the ground is level, not just in the property but surrounding the property as well, to minimise risk of trips or falls.

### 8 HYGIENE



Personal hygiene can be affected by the facilities in the property. In the bathroom if there are cracks in the sink or toilet, if the bath is damaged or not sealed in correctly, it can make tenants avoid wanting to use those facilities.

### 9 RISK OF INTRUDERS



Landlords should ensure their property is safe by securing windows and doors. Keys to window locks should be given to tenants, security lighting should be installed so tenants can see what's outside, maybe even cut back overgrown trees and bushes to provide a safer environment.

### 10 GAS/CARBON MONOXIDE SAFETY



All gas appliances need to be tested annually for safety by a Gas Safe Registered engineer and, by law, you must provide your tenant with a copy of the gas safety certificate. A carbon monoxide alarm is also recommended, and required by law if there is a solid fuel burning appliance.

*Please talk to your local authority about the HHSRS so you understand local issues and enforcement*

## Risk assessment

In total, there are 29 hazards, including those on the previous two pages, which have been identified as possible risks to tenants, so you must carry out a risk assessment to make sure your property is safe. The full list can be found on the [government website](#). You can also get advice from your local authority's environmental health department, who will help you to ensure your property is safe to rent to tenants.

### Six main lettings legal requirements

- 1 Energy Performance Certificate**  
The EPC should be available at the start of the tenancy and ideally when you advertise the property, so potential tenants can make their decision based on the cost of energy bills
- 2 Property and landlord licensing**  
The rules vary around the UK, with landlords in Scotland, Wales and Northern Ireland having to be licensed by law. Some local authorities in England require licensing, too, so do check in the area where your property is
- 3 Tenant health and safety**  
There are 29 hazards that have been identified so you must carry out a risk assessment to make sure your tenants can live in the property safely. The 29 hazards can be found on the [government website](#)
- 4 Right to rent checks**  
If renting in England, you or your agent must check all tenants, not just foreign nationals, to ensure they are in the country legally before they rent or renew a tenancy. Visit [gov.uk](#)
- 5 Tenants' rights, access and protection**  
Tenants have a right to enjoy the property peacefully – you can't visit as and when you please – and notice must be given, according to the contract, if you want them to vacate. The government (in England) has produced a helpful tenant guide, which is just as useful for landlords. This must be given to tenants prior to letting to them.
- 6 Taxation:** You will pay income tax on the rental income profits, and capital gains tax on any increase in value when you sell the property. Be aware that this could take you into a higher tax band or mean you lose tax relief. HMRC has a [free e-learning course](#) you can take

#### EXPERT TIP

Environmental health officers always try to work with landlords first, and only use enforcement tools where we have to; we prefer not to, they're a last resort. We want to advise and ensure landlords know what they're doing to provide a safe and healthy environment for tenants.

**DAVID HOBBS**  
[nottinghamcity.gov.uk](#)





## Houses in Multiple Occupation (HMOs)

There are additional regulations for HMOs and, as they contribute to most problems in the private rented sector, they are often targeted by housing enforcement offices. As HMOs generally have more tenants, they are subject to greater wear and tear, so repairs and upgrades are likely to be required more frequently.

An HMO must be set up to minimise the risk of injury to a tenant or visitor, with outside areas, gardens, fire escapes, balconies and roofs kept secure, clean and tidy.

Other issues which are enhanced in an HMO include:



### **DAMP AND MOULD**

More tenants equals more showers, more cooking and more condensation, so a ventilation system is a wise investment. Damp and mould not only harm your tenants' health but can affect the structure of your property and reduce its value.



### **SECURITY**

With additional people entering and exiting a property, good locks on windows and doors are essential. It's also vital to ensure windows and doors are easy to escape from in case of fire.



### **FIRE PREVENTION**

In HMOs you will need clearly marked fire exits, which are kept clear of obstructions. There should also be additional fire-fighting equipment in good repair and working condition.



### **ELECTRICAL SAFETY**

By law, all electrical fixtures within an HMO must be inspected every five years and the local authority can request visits and to see certificates – which must be provided within a week of request.



### **WASTE DISPOSAL**

There must be adequate provision for waste disposal and you need to ensure the local authority collects waste from the property so the exterior does not become a dumping ground.

# Damp, condensation and mould

Damp, condensation and mould can cause problems for both landlords and tenants, but most issues can be prevented. Damp and condensation are a result of excess moisture, either leaking in or being unable to escape out of the property... and mould is formed when these problems continue unchecked.

Both damp and mould in a property are serious issues as they can lead to allergic reactions and asthma attacks for the occupants. If a landlord fails to resolve problems with damp and mould, a tenant may report the problem to their environmental health department, who may organise the necessary work themselves, both charging and fining the landlord. In the very worst of cases, the property could even be demolished!

In addition, neglecting an issue can lead to major problems with the property, making it harder (or unfit) to rent out and decreasing its value.



## Damp

There are two types of damp, both of which can cause serious damage to your property and potential health issues for your tenants.



**Rising damp is the result of a failed damp proof course, which means moisture is allowed to rise up through the mortar.**



**Penetrating damp is caused when moisture can enter the brickwork, for instance through cracks in a window frame, or via a broken gutter.**

Both of these issues should be flagged up in the survey before you purchase a property, and both require specialist treatment by an expert in damp problems.

## Condensation

Condensation is formed when excess moisture in the air settles as droplets on a cold surface. There are three main causes:

- 1 Incorrect insulation**
- 2 Inadequate heating**
- 3 Poor ventilation**

Clearly, it is down to the landlord to ensure the property is adequately heated, insulated and ventilated, but the tenant has their part to play, too.



## Preventing condensation

As a landlord, it is your responsibility to provide safe accommodation for your tenants, which means providing the facilities they require to maintain an adequately heated and ventilated home.

There are steps your tenants can take to prevent condensation, too, but even if it is their lifestyle which has caused problems, it is in your interests to pay for and carry out any repairs, to protect your tenant's health, to avoid being reported and to protect your investment by keeping your property in good condition.



### Landlord's responsibilities

- ! Ensure adequate heating is provided
- ! Insulate the property properly
- ! Provide a means of ventilation, eg trickle vents in windows and extractor fans in kitchens and bathroom
- ! Take responsibility for fixing any problems
- ! Use experts to diagnose problems and make any repairs
- ! Accept that neglect of an issue could devalue the property and lead to a fine
- ! Understand that you may not be able to evict a tenant if they have reported problems to which you have not responded



### Tenants' responsibilities

- ! Report issues with damp ASAP
- ! Cover pans when cooking and turn down heat when boiling food
- ! Dry clothes outside, or in a well ventilated room, or open a window to let the moisture out
- ! When showering or bathing, keep the door closed and ventilate the bathroom by opening the window or running the extractor fan, if fitted, until humidity has dropped
- ! Open windows in the property each day to change the air
- ! Let air circulate by leaving a gap between furniture and walls
- ! Wipe away moisture to stop mould developing. If mould is found, it should be wiped away with diluted bleach (one part bleach to four parts water)



You can find out more about the impact of damp, condensation and mould on rental properties in a report – **How do we stamp out damp, condensation and mould in the private rented sector?** – produced by Kate Faulkner with the support of the TDS Charitable Foundation.



As we have learned, condensation, damp and mould can cause major problems for both landlords and tenants. We

have worked with Envirovent to create this checklist to help you identify problems when looking around properties with a view to buying, and in any properties you already own. When it comes to fixing issues, however, it's always a good idea to call in the professionals.

**If you answer 'Yes' to any of the below, indoor air quality is compromised:**

- Is there a 'musty' smell in the property?
- Does the property have single glazed windows?
- Are any of the windows 'streaming' with water?
- Do any of the windows have mould around the frame?
- Does the property have single skinned walls – bay window area?
- Is there condensation on the walls?
- Are there any damp patches, especially behind furniture or in corners?
- Is there mould in any of the rooms?
- Is there mould on any leather goods?



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Is there mould or mildew on soft furnishings?

Is the wallpaper peeling off the walls?

 **For more information about condensation problems, visit [Why Ventilate?](#)**

Does the kitchen have an extractor fan?

Does the bathroom have an extractor fan?

Is there heating in the property?

 **For detailed information about mould problems, visit [EnviroVent](#)**

 **To learn how to prevent condensation problems, visit [Condensation](#)**

#### **Choosing an expert to identify the problem and solutions:**

You need expert diagnosis using a qualified surveyor. The identification of the problem is free of charge.

Call a company that is a member of HEVAC and/or PCA.



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**Call Envirovent on  
0345 27 27 807**



**Visit the website at  
[envirovent.com](http://envirovent.com)**





Rising damp occurs when moisture from the ground is able to travel up through the walls of a property, usually because there is no damp proof course, or it has failed. It is often misdiagnosed, however, so it's important to get a specialist to inspect your property; this is definitely not a DIY job and standard builders do not have the expertise in this difficult area. We have created this checklist to help you on the right track.

- You can usually spot a damp proof course by looking on the outside of the property and seeing blue bricks, some drill holes or you might see a grey line between the bricks in the mortar joint.
- If there is a damp proof course, this doesn't mean it's still working. In older houses these can perish and break down. In modern houses they are more durable, but in reality any property built before 1990 needs to be thoroughly checked.
- If the damp proof course has failed, this may cause rising damp in the property.
- Other signs of rising damp to look out for are:
  - Damp 'tide' marks on solid walls
  - White 'salt' marks and discolouration
  - Peeling wall paper
  - Dry or wet rot to skirting boards
- Understand if the problem is caused by *penetrating damp* or rising damp. Penetrating damp can be caused by:
  - Loose slates and tiles
  - Defective gutters and leaking downpipes
  - Cracked render
  - Damaged brickwork
  - Wind-driven rain
- Ensure you secure a specialist to diagnose the problem, a local builder or tradesman is not experienced enough to diagnose damp problems.
- Always choose a timber and damp expert who is a member of the Property Care Association.

- Always request a full survey of the property, not just the rooms you believe to be affected, as you never know where a problem might be.
- The report should be accompanied with a quotation to fix the problem or if the problem does not require a specialist, then advice will be given to cure the problem.
- Understand the pros and cons of different solutions, especially the guarantee for the work:
  - Chemical treatment. This is the most common and requires an injection of a chemical at different intervals in the wall
  - Electro osmotic. This is where a small electric current is applied to the wall and it drives the moisture down the wall
- Your walls will need re-plastering after the work is carried out, but make sure you:
  - Add a salt-retardant
  - Allow the walls to dry out for up to six weeks before applying final decorations
  - Do not paint with vinyl paints for up to a year
- Make sure you secure a guarantee for the work from a company who has already been in business ideally for 20-25 years or more.
- Keep the survey report paperwork and photos of the work carried out to show potential buyers when you sell the property.



**Call [Propertychecklists.co.uk](http://Propertychecklists.co.uk)  
on 01652 641722**



**Visit the website at  
[propertychecklists.co.uk](http://propertychecklists.co.uk)**



Gas safety is a legal requirement when you rent out a home, so we have created this checklist to help you keep your tenants and your property safe. Don't forget if you smell gas, switch off any appliances, get fresh air immediately and call the National Gas Emergency Service on 0800 111 999.

- Make a note of how many appliances in the property are supplied by gas and in which rooms, eg boiler, fire, cooking appliance, heater.
- All gas appliances should be safety checked every year and serviced regularly according to manufacturer's instructions. Find out when your gas appliances were last checked.
- Only use a Gas Safe registered engineer to carry out any gas work in your home. You can find or check an engineer is registered via [Gas Safe Register](#). Make sure they are qualified for the work you need doing and always ask to see their Gas Safe ID card
- A gas safety check will make sure your gas appliances are on the correct gas settings and burning correctly, any harmful gases are being removed and ventilation routes are clear.
- If you are buying a property and there is no up to date Gas Safety Record, have all the gas appliances checked by an appropriately qualified Gas Safe registered engineer prior to exchanging.
- As a landlord, you must, by law, have all gas appliances you provide safety checked every year. Provide your tenants with a copy of the Gas Safety Record within 28 days of it being carried out or before they move in. If there is no up to date safety record, the property may not be safe to live in.
- Remember your annual safety check by marking it on your calendar and/or setting up a reminder.
- Gas Safe registered engineers have a responsibility to advise you when they find dangerous gas installations in your home. If they can't repair an appliance straight away they should, with your permission, make it safe, which may involve disconnecting it. Never use an appliance if it has been identified as unsafe.
- Even if your gas appliances are regularly checked and maintained, it is advisable, as an additional safety measure, to fit an audible carbon monoxide (CO) alarm in your home. This will alert you to the presence of CO which has no smell or taste.
- Landlords must must keep a copy of the Gas Safety Record for a minimum of two years.
- If you are carrying out work on your property such as an extension or even gardening, you need to make sure you know where your gas service pipes are laid. Your gas supplier may be able to assist with locating the incoming service pipework, but they may charge you



Electrical safety is vital, for obvious reasons, to protect both your investment and your tenants. This checklist, created with Electrical Safety First, will help you budget for and perform the necessary checks on a property before letting it to tenants.

- Make sure your rental property has a periodic electrical inspection at least every five years. This will check for wear and tear, damage or other issues:
  - The wiring is earthed and bonded properly
  - Remove covers to inspect connections and conductors for signs of damage
  - Test the circuits to identify defects and faults
- Carry out any changes an electrician suggests on the periodic report to protect your tenants from electrical dangers. As a landlord it is your responsibility to ensure the following have been done, download the [Electrical Safety First Landlord's interim electrical safety checklist](#) for the full list.
  - Make sure your fusebox ('consumer unit') is fitted correctly and not damaged. Also make sure it is not obstructed with flammable things like paint, newspapers or cleaning fluids.
  - Check there is an RCD (Residual Current Device) and it is working.
  - Ensure cables aren't passing through doors/window openings.
  - Check sockets are not overloaded.
  - Before plugging in leads/cables check for signs of damage like cracks and splits.
  - Make sure appliances aren't subject to a recall by visiting the [Electrical Safety First website](#).
  - Check relevant covers are in place and undamaged on appliances so shock or fire risk is reduced.
  - Make sure a smoke alarm is fitted, working and the alarm sounds when tested.
  - Ideally fit a carbon monoxide alarm just in case any leaks occur so the tenant is warned.
  - Keep a copy of electrical safety reports, any appliances instructions and guarantees so you have evidence the property is safe.



Call Electrical Safety First  
on 020 3463 5100



Visit the website at  
[electricalsafetyfirst.org.uk](http://electricalsafetyfirst.org.uk)



## Checklist: Ensure your rental is safe for tenants



Electrics aren't the only potential source of danger in a home, so use this checklist, from BlueWatch, to help you assess what work will be required on a property before you invest and let it out to tenants. It is also vital you have a survey done on the property before purchasing.

- As a landlord/agent it is essential you have a 'safety in the home checklist' to protect yourself from potential prosecution in the event of a tenant's death.
- Understand the main causes of fires and carbon monoxide poisoning in homes.
- 60% of fires start in the kitchen, so do extra checks to make sure everything has been covered:
  - Electrical leads, tea towels and cloths aren't near ovens/hobs;
  - Put a note on the microwave to make sure no metal items are placed in them;
  - Ensure electrical appliances aren't located near the sink/any water;
  - Only allow a 'spark device' to light gas cookers;
  - Don't supply a chip pan, and request that the tenant doesn't use one.
- Heaters caused 1,500 accidental fires in 2011/12 so advise tenants not to place clothes/furniture/beds next to heaters and to always turn off any portable heaters.
- If the property has a chimney, make sure it has been swept and is done so regularly, ideally by a chimney sweep who belongs to the **Institute of Chimney Sweeps** or **National Association of Chimney Sweeps**.
- Make a list of all the products and services in the property that need checking by professionals eg cooker, hob, boiler, electrical appliances, heaters, smoke alarms.

Check whether electrical appliances you supply have a British or European safety mark. If they





- Check whether electrical appliances you supply have a British or European safety mark. If they don't, consider removing them from the property or replace them with safer versions.
- Check any furniture you leave in the property meets the correct fire safety standards.
- Make a list of all of the safety products which the rental home should have such as smoke alarms.
- There are special rules which are created at national and local level so make sure if you have a House in Multiple Occupation, you abide by the specific safety regulations required by your local housing officer/authority and the [LACORs guide](#).
- Make a list of all the additional safety products which would protect both your tenant and your property, even if they aren't required by law for example a fire blanket, fire extinguishers, fire doors and emergency lighting.
- Gas appliances can go wrong even after they have been checked, so ensure you have an annual gas safety check by a [Gas Safe Registered](#) engineer.
- More than 50 people each year die of carbon monoxide (CO) poisoning so always ensure a CO detector is fitted and regularly tested.
- Keep a record of all the safety checks, the equipment you have installed and an inventory of what you left in the property.
- You can get a 20% discount on Smoke alarms at Blue Watch shop, simply enter 'Propertycheck' in the offer code box at checkout.



**Call BlueWatch on  
0844 8082435**



**Visit the website at  
[bluewatch.co.uk/](http://bluewatch.co.uk/)**

## EXPERT TIP

**One of the biggest mistakes landlords make is not budgeting for maintenance costs. You need to put money aside every single month. A new boiler can cost £3,000, which can be up to a year's net income. Calculate all your potential costs, then you can look at how you can spread them over each month and deduct them from your rental income.**

**CHRISTINA DIMITROV**  
[directlineforbusiness.co.uk](http://directlineforbusiness.co.uk)





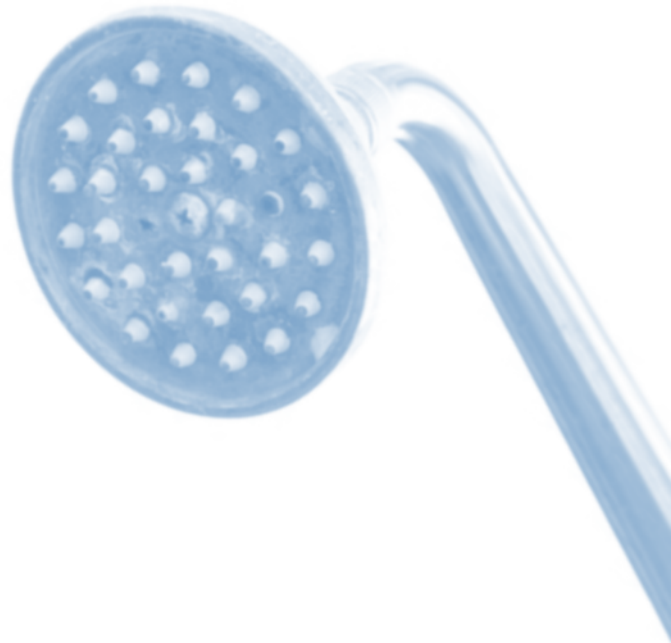
Landlords or their managing agent must ensure they take the right precautions to reduce the risks of exposure to legionella to their tenants and/or visitors to their properties. This checklist has been created with No Letting Go to help you prepare your property.

- Understand the risk:** Legionnaire's disease is similar to pneumonia and can prove fatal to people considered vulnerable, including smokers, heavy drinkers, people with a respiratory (such as asthma) or kidney disease, diabetes, lung or heart disease as well as someone with an impaired immune system. Additionally, men and people over the age of 55 are more susceptible.
- Identify the risk:** Legionella bacteria is found in all domestic water systems and can potentially cause Legionnaires' disease if the water system is not properly assessed, managed and controlled.
- Legislation states that the landlord or person in control of the premises must understand how to:
  - Identify and assess sources of risk
  - Manage any risks
  - Prevent or control any risks
  - Keep and maintain the correct records
- The Approved Code of Practice (ACOP) Legionnaires' disease: The control of Legionella bacteria in water systems (L8) provides guidance on how to manage and control the risks in the water system. These include the completion at regular intervals of a Legionella Risk Assessment by a 'competent person' to determine whether:
  - The release of water spray is properly controlled
  - Water temperatures and conditions that favour the growth of legionella and other micro-organisms are avoided
  - Water can stagnate anywhere in the system and to advise upon removal of redundant pipework
  - Materials that encourage the growth of legionella are present at the premises
  - The system and water within it is kept clean
  - The growth of legionella (and other microorganisms) or their ability to grow is limited
  - Any control measures applied are monitored

Keep records of these and other actions taken, such as maintenance or repair work

The risk assessment is required on the entire water system, including:

- Cold water tanks
- Hot water cylinders
- Pipework
- Taps
- Shower systems
- Hot tubs
- Garden hoses and sprinklers



Records should include details of the:

- Person or persons responsible for conducting the risk assessment, managing, and implementing the written scheme
- Significant findings of the risk assessment
- Written control scheme and details of its implementation
- Details of the state of operation of the system, ie in use/not in use
- Results of any monitoring inspection, test or check carried out, and the dates

For the purposes of this legislation a 'Competent Person' is someone with:

- Sufficient authority
- Necessary skills
- Knowledge of water systems and their operation
- Relevant experience



**Call [Propertychecklists.co.uk](http://Propertychecklists.co.uk)  
on 01652 641722**



**Visit the website at  
[Propertychecklists.co.uk](http://Propertychecklists.co.uk)**

# Rights and responsibilities

Most of the rights and responsibilities of you and your tenants are explained in the tenancy agreement you both sign. You can also download the [How to Rent](#) government guide.

## Some of the landlord's responsibilities

- 1** Issuing the tenant with key information such as the How to Rent guide, Energy Performance Certificate and Gas Safety Certificates.
- 2** Maintaining the structure and exterior of the property.
- 3** Dealing with utility issues, such as water, electricity and gas supply.
- 4** Maintaining or replacing any appliances and furniture that has been supplied .
- 5** Responding to the tenant's requests for repairs within 14 days.
- 6** Carrying out most repairs and dealing with issues raised by the tenant within a fair timeframe.
- 7** Arranging an annual gas safety check by a Gas Safe engineer where there are gas appliances.
- 8** Giving at least 24 hours' notice of visits for things like repairs.
- 9** Securing the correct licence for the property, if required.
- 10** Insuring the building and any landlord contents in the rented property for damage from flood, fire and subsidence.

### EXPERT TIP

Let's factor in that 98% of landlords out there will never have a problem with a tenant – but it can happen if a landlord doesn't understand their obligations. It's about communicating with the tenant and, if there are disputes, nip them in the bud early because, at the end of the day, you want them to stay in the property as long as possible.

**PAUL SHAMPLINA**  
[landlordaction.co.uk](http://landlordaction.co.uk)



# Landlord and letting agent access rights

Access to a property is one of the most common causes of dispute between landlords and tenants, so know the rules and that it's only acceptable to break them in a genuine emergency, such as fire or flood.

You and your appointed agent have a right to access and inspect the property to evaluate its condition and state of repair before, during and after the tenancy. It is good practice to ensure access is stipulated in the tenancy agreement so it is clear from the start of the tenancy.

## Five rules for accessing your let property

- 1** Give notice of your visit, ideally 24-48 hours
- 2** Contact the tenant in different ways – eg email, text and phone – so they can't say they haven't received the request and you have evidence in case of a dispute
- 3** Request access at a reasonable time during the day for the tenant; if they say "no", ask for a more appropriate time to visit
- 4** Ensure the tenant is present to avoid accusations of theft, 'planting' anything, or any other wrongdoing
- 5** Try to be accompanied by an independent person or your agent so you have an independent witness, and for security purposes.

Unfortunately, some tenants may categorically refuse you access to the property without a valid reason. This puts them in breach of their tenancy agreement, so you can apply for possession of your property on discretionary grounds.

You should not enter without permission as the tenant could make an application for harassment against you and, if eviction proceedings take place, they could make a case for unlawful eviction.

If a tenant refuses access for repairs, they can't use lack of action as a defence at court, as long as it is evidenced you tried to gain access to fix the problem.

If there is any disrepair as a result of ongoing damage to the property, you may have the right to claim damages from the tenant, but check your tenancy agreement.

### EXPERT TIP

**I think a lot of landlords forget that letting property is a people business and tenants are ultimately your customers. It's all about responding to your customers' concerns and needs, reacting to requests for repairs quickly and remembering that actually, for the period you're letting the property, it's not your home; your tenants do have rights as well as responsibilities and you have to respect them.**

**JOHN STEWART**  
rla.org.uk



# Protecting the tenant's deposit

If you are letting a property under an Assured Shorthold Tenancy, it is a legal requirement to protect any deposit within a government-approved deposit protection scheme within 30 days of receiving it.

You should also inform your tenant of

- 1 The amount of deposit to be held
- 2 What the deposit can be used for
- 3 How the deposit will be returned

This system makes it easier for landlords and tenants to deal with deposits in a transparent way and if there are any issues, allows them to be resolved independently.

If you fail to protect your tenant's deposit, be aware you can be fined up to three times the deposit amount.



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## Which deposit scheme should you use?

There are three government-approved schemes to choose from:

**1** Tenancy Deposit Scheme

**2** Deposit Protection Scheme

**3** My Deposits



## Disputes and arbitration

At the end of the tenancy, you and the tenant need to agree how much of the deposit should be retained to cover any damage and repairs. If you can't come to an agreement, either one of you can ask for an arbitration panel so that an independent decision can be made - far better than trying to settle the matter in court, which can be a timely process.

An arbitrator will only focus on the paperwork – they don't make any visits to the property. This highlights the importance of keeping good, up-to-date records and especially the need for a detailed inventory.

The scheme's arbitrator will need to see:

**1** Details of the deposit account

**2** The tenancy agreement

**3** The inventory

**4** Statements providing evidence for any claims

**5** Evidence that the damage was caused by the tenant and isn't simply wear and tear

As a landlord, you can expect to receive the property back in a similar condition to when it was handed over to the tenant – taking into account the considerations of fair wear and tear. Assuming you handed over your property in a clean state, you should expect to receive it back in a similar condition. If it isn't, you have reasonable grounds to claim for the cleaning bill.

### EXPERT TIP

**Most tenancies don't end in a dispute. Most of the time there's no damage been caused and the deposit is returned to the tenant. The key thing is to get your information right at the beginning.**

**STEVE HARRIOTT**  
[tenancydepositscheme.com](http://tenancydepositscheme.com)



## Deposits and regaining possession

If the tenant's deposit is not placed within the scheme, any Section 21 Notice that has previously been served will be invalid and, in the future, if the tenant has requested repairs and you haven't responded within 14 days or fixed the repairs in a reasonable time, you won't be able to evict the tenant using a Section 21 Notice.

For a Section 21 Notice to be valid, the deposit must be placed in a scheme AND the date on the Section 21 Notice must be dated after the deposit was placed in the scheme.

### Five key steps from our deposits expert



When you get the deposit, you need to protect it in one of the Government-authorised schemes, like the Tenancy Deposit Scheme, within 30 days.



Landlords then have to serve prescribed information, to inform the tenant who has the deposit and what they need to do to get it back. If you don't do this, you cannot issue a Section 21 possession notice at the end of the tenancy.



The tenancy agreement should be explicit about how the deposit can be used. If you don't set this out in advance, the tenant can keep the deposit and you won't be able to make a claim.



If you want to retain some or all of the deposit, you need to prove the claim against the tenant, which means the inventory is really important.



Keep a record of rental payments as you will need this if, at the end of the tenancy, you want to make a claim for rent arrears.



**STEVE HARRIOTT**  
[tenancydepositscheme.com](http://tenancydepositscheme.com)



## Checklist: Landlord deposit protection



You are legally obliged to protect your tenant's deposit in one of three government-approved schemes. Fail to do this and you could face a fine of up to three times the deposit amount. Here's our guide to tenancy deposit protection, created with the Tenancy Deposit Scheme.

- When you receive the deposit, you have 30 days to register it with a government-approved scheme.
- If you are relying on an agent to do it for you, the same deadline applies and you are liable if they get it wrong. So make sure they don't!
- If the agent is collecting the deposit and passing it on to you, the clock starts ticking when they receive it – not you!
- Irrespective who is protecting the deposit, the landlord is also responsible for telling the tenant where it is protected. This is in the form of “prescribed Information” and must be given within 30 days of receiving the deposit. TDS provide a template for landlords to use.
- Prescribed Information also includes a scheme leaflet [such as this one from TDS](#).
- Do ensure you draw up a robust tenancy agreement that details all the things you expect the tenant to do and pay. Make sure any fees are clear and that your agreement specifies what the deposit can be used for.
- Do make sure you conduct a comprehensive inventory and ideally check the tenants in so the document can be signed. If this can be done independently, even better but either way make sure the condition and cleanliness is both noted.
- Keep all your documentation safe. You might need it later!
- Keep a written record of any communications you have with your tenant.
- If you give permission for something to be changed, like a wall decorated, make sure you specify how you expect it returned. Don't assume it will be repainted magnolia if you haven't agreed in writing it will be!
- Try to do a pre check out before the tenancy ends, to give the tenant some pointers on things you expect to be sorted before they move out.
- Confirm in writing the check-out arrangements and remind the tenant of any special conditions they might have overlooked.
- Arrange a check out inventory on the last day of the tenancy or as soon as possible after.

- Quantify any claim you seek to make from the deposit and convey this to the tenant as soon as you can once the tenancy has ended.
- Make sure you only make charges permitted by your tenancy agreement.
- Justify your charges to the tenant if necessary. It is not unreasonable to be asked for evidence of the cost.
- If the tenant disagrees with your proposals, do negotiate. 99% of tenancies are resolved by agreement.
- Make sure you factor in wear and tear and betterment. You cannot expect the tenant to reinstate any damage to a better standard that it was at the start of the tenancy. **TDS produce some helpful case studies that are worth checking out.**
- If there is a dispute, ensure you return the undisputed sum.
- Ensure any dispute is logged with a scheme as soon as possible, and for insured schemes no later than three months after the end of the tenancy.



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**Call the Tenancy Deposit  
Scheme on 0300 037 1000**



**Visit the website at  
[tenancydepositscheme.com](https://www.tenancydepositscheme.com)**



In addition to providing deposit protection, the Tenancy Deposit Scheme (TDS) provides fair and impartial adjudication on deposit disputes. Of all the deposits protected, fewer than 1% will be sent to TDS for a dispute. The key to a successful tenancy is open communication between the landlord, and being well prepared from the beginning.

Each case is unique and is dependent on the evidence provided so there is no sure-fire method for the retention of part/all of a tenant's deposit. The burden of proof will always lie with the landlord as the money belongs to the tenant and is held in security against the tenant's obligations under the tenancy agreement

There are preparatory actions landlords should be taking when they enter into a rental agreement, allowing them to protect their property and set themselves up for the best possible chance of a successful tenancy.

### BEFORE THE TENANCY

#### Inventory

- Ensure your inventory accurately displays cost, age, condition and cleanliness of each item
- Ensure the inventory lists walls, carpets and in-built items, not just furniture

#### Tenancy agreement

- In the tenancy agreement there should be a clause which states that the tenant should maintain the condition of the property
- Include a clause stating who is responsible for paying utility bills during the tenancy
- If using an insured scheme, include a clause outlining who will retain any interest on the deposit at the end of the tenancy
- The tenancy agreement should include a provision for using the deposit to recuperate costs such as:
  - rent arrears
  - redecoration
  - damage
  - gardening
  - removal of tenants' items
  - replacement of landlord's items
  - bills (eg, utility, council tax, water)

- cleaning
- key replacement
- The tenancy agreement can include specific clauses relating to a particular tenancy, for example to allow a specific pet, with a clause about additional actions tenants should take to clean. This should be created in a specially negotiated clause, and signed separately
- The tenancy agreement should be supported with a check-in/check-out report which allows the condition of the property to be compared. Digital photos are useful but the written and signed report is key

### DURING THE TENANCY

- Make it very clear to tenants that damage must be reported immediately, where possible, or within a certain time frame, eg 48 hours. This can prevent smaller issues developing into larger issues
- Take preventative measures such as installing extractor fans and opening windows to help prevent damp

### AT THE END OF THE TENANCY

- Some landlords find it useful to do an inspection a few days prior to the check-out. This provides an opportunity to remind tenants of their cleaning responsibilities
- During check out, be sure to mark the condition and cleanliness of each item; just as in the check-in/inventory, this allows you to compare the conditions from the start of the tenancy to the end accurately
- Remember:** Cleanliness is not subject to fair wear and tear; if an item was marked as clean at the start of the tenancy then it should be returned in the same state.

### Making deductions from the deposit

- Should you need to recover costs from the deposit, you should do so in a timely manner
- Deductions should be clearly laid out, and sent to the tenant directly
- If, after discussion, the tenant and landlord are unable to agree on deductions then a dispute can be raised
- If the amount of money in dispute is greater than the deposit amount, you may choose to take the matter to court or continue with the free Alternative Dispute Resolution (ADR) service offered by your deposit protection scheme. If you choose to use ADR, ensure you include the full extent of your claim – do not limit it to the amount of the deposit
- TDS provides a useful [Deductions Template](#) to members, available on the website



## Dispute resolution

If you need to make a deduction from the deposit, as long as your deductions are clearly reasoned and fairly costed, many tenants will not dispute your claim. However there will be occasions where dispute resolution is your only option.

- Ensure you have evidence to support your claim.
- Consider the fairness of the claim. TDS's golden standard for alternative dispute resolution is that the claims be:
  - Reasonable** – this means not claiming for an entire new kitchen for one broken cupboard door, or not claiming for an entire carpet because of one small stain.
  - Reasonable** – the amount of money that you are claiming should be reasonable for that item. The amount should reflect an accurate cost.
  - Reasoned** – this means providing accurate evidence and a clear argument that will allow the adjudicator to see clearly that damage/negligence has occurred and the value of repairs/replacement.
- The onus of proof lies with the landlord, as you must prove all of the following:
  - You have suffered a loss
  - The loss was caused by the tenant or someone they were responsible for
  - The tenancy agreement permits this loss to be recovered from the tenant's deposit
  - You have evidence that allows the amount of loss to be quantified (worked out in monetary terms)
- Understand that adjudicators will not allow 'betterment'; a claim may be rejected, or the amount adjusted, if they feel that the money requested would put the landlord in a better position than they would have been in, had the damage/negligence not occurred.



Call the Tenancy Deposit Scheme on 0300 037 1000



Visit the website at [tenancydepositscheme.com](https://www.tenancydepositscheme.com)



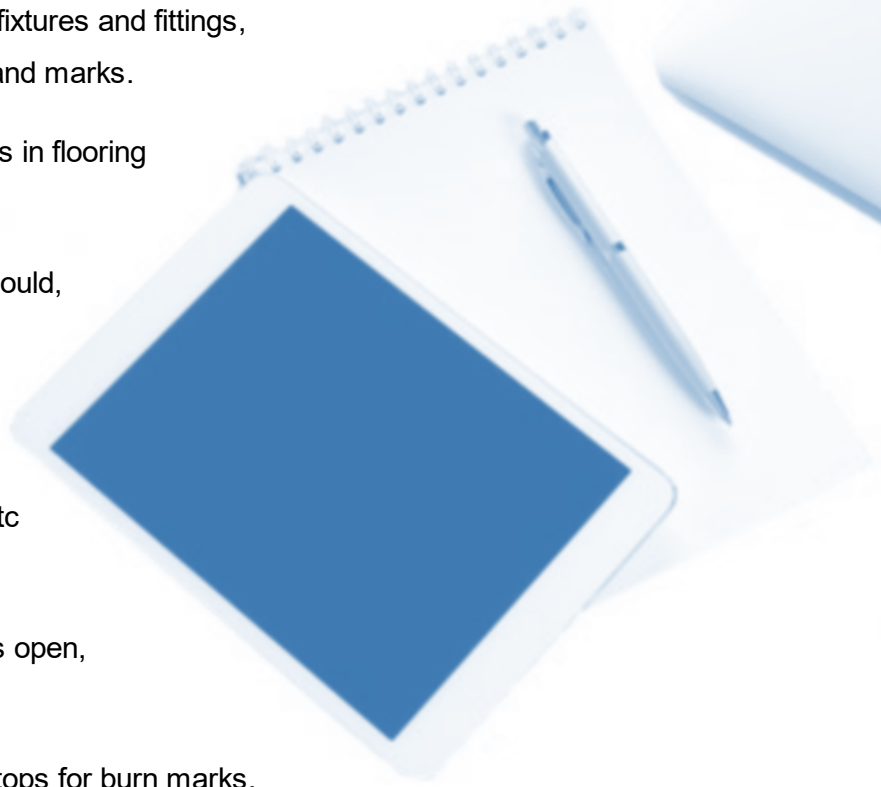
## Checklist: Should you do your own inventory?



The inventory is a vital step in any tenancy. It sets out the condition of the property in detail, which can be used at the end of the tenancy to provide a comparison. If damage has occurred, or the property is not as clean as it was at the start, you will need the inventory as evidence if you wish to make a claim. To help you through the inventory process, we have created this checklist with the help of Inventory Genius.

- If you employ someone, check they have a robust method of carrying out an inventory.
- Ideally make sure they are members of AIIIC or APIIP.
- If you prefer to do the inventory yourself, don't create your own, make sure you have a good system to help you, such as Inventory Genius.
- Make sure the inventory has:
  - Information about furnishing status, ie furnished, part-furnished or unfurnished
  - Names and/or number of tenants (this helps with inspections and when checking for fair wear and tear)
  - The correct and full property address
  - The property type eg terrace, flat
  - The date the inventory was carried out
  - Preambles at the beginning which are easy to read and understand especially regards to cleaning conditions.
- Include the property address on each page.
- Carry out the inventory on the day of move in, or the day before.
- Make sure you clearly word everything – someone has to be able to read and understand it without you being there.
- Be specific, if there are scratches, don't say 'a few' say two or three.
- If you have evidence an item or decorations carried out to the property are new insert the date.
- Take photos of problem areas and use a pen to highlight where the problem is.
- Make sure the outside walls and floors are safe, eg no loose tiles or bricks.

- Inspect all walls, ceilings and fixtures and fittings, check for scratches, knocks and marks.
- Check for stains, rips and joins in flooring and carpets.
- Look for signs of damp and mould, especially in bathrooms and around windows.
- Make sure electric and gas appliances, plumbing, lights etc switch on and work.
- Check the doors and windows open, close and lock.
- Look carefully at kitchen worktops for burn marks, scratches and stains.
- Are all the white goods, sinks, taps, bathtubs, working okay and are they clean?
- Check outside and in the garden for the condition of things like fences/gates.
- Know and note if the tenant is going to be responsible for it.
- Make a note via a time stamped photograph and in writing, of meter readings, both on check in and check out, make a note of where they are.
- Ask the tenant to sign each page of the inventory to prove they have read it.
- Make sure you carry out the inventory check out with the tenant there to sort any disputes at the property.



**Call Inventory Genius  
on 01332 653888**

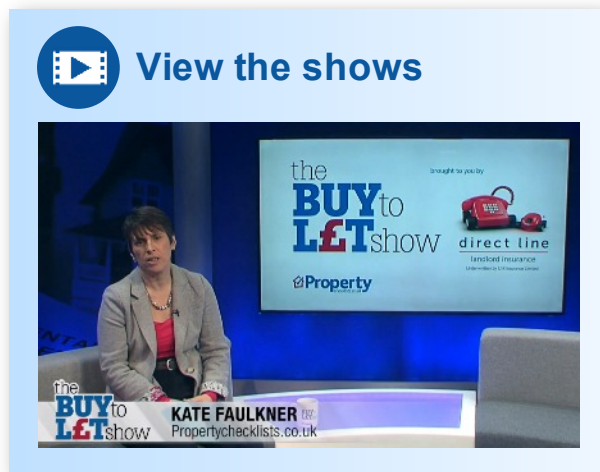


**Visit the website at  
[inventorygenius.co.uk](http://inventorygenius.co.uk)**

# Where next?

There are six eBooks in this series, which accompany the six episodes of the Buy to Let Show. They are:

1. **Is Buy to Let a Wise Investment?**
2. **Financing and Insuring a Buy to Let**
3. **How to Choose a Buy to Let**
4. **Letting a Property Legally and Safely**
5. **Dealing with Tenancy Problems**
6. **How to Plan an Exit from Buy to Let**



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