HOW TO...
LET
A guide for current and prospective private residential landlords in England

Part of the How to Guides series
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This information is frequently updated. Search on GOV.UK for How to Let to ensure you have the latest version.

The online version contains links you can click on to get more information.

If you do not have internet access, ask your local library to help.
Assured Shorthold Tenancy (AST)

This guide is focused on landlords letting to tenants on an **assured shorthold tenancy**. An AST is the main type of tenancy arrangement between landlords and tenants. By setting up an AST, you enter a contractual arrangement to let your property to a tenant.

**Who is this guide for?**

This guide is for people who are interested in letting a house or flat in England to tenants in the private rented sector while living in another property. This guide does not cover leasehold, **holiday lets** or ‘resident landlords’ who let to **lodgers**. This guide will help you to understand what responsibilities you have as a landlord, which will help you create a positive relationship with your tenant.

There are also guides on **How to Rent**, **How to Lease** and **How to Rent a Safe Home**.

**Links**

This guide is best viewed online as it contains hyperlinks.

If you are reading this on a computer or tablet, you can click on the links to go to other websites with more detailed information.

They are coloured and underlined like this.

On Android or Windows devices, links work better if you download Acrobat Reader from [get.adobe.com/uk/reader](http://get.adobe.com/uk/reader).

**Key legal responsibilities**

This guide will help you to understand your key legal responsibilities as a landlord. This includes:

- protecting tenancy deposits in a [government-approved scheme](http://example.com/tenancy-deposits)
- providing your tenants with a copy of the **How to Rent guide**
- carrying out gas safety checks
- ensuring electrical installations and appliances are safe
- installing smoke and carbon monoxide alarms
Before letting your property

Letting with a mortgage

Usually, Buy-to-Let mortgages are used to fund the purchase of the property which is intended to be let. If you wish to let a property with an existing owner-occupier mortgage, you must seek consent from your mortgage lender and insurance provider.

Property licensing and Houses in Multiple Occupation (HMOs)

HMOs are usually properties occupied by three or more unrelated people who share facilities such as the kitchen or bathroom. If you operate an HMO you must comply with the HMO Management Regulations. There are additional responsibilities for the management of HMO properties, which are not covered in this guide.

Some HMOs occupied by 5 or more people in 2 or more households must be licensed by the local authority under mandatory national licensing.

In some areas, local authorities require landlords to hold a licence to let out a property under an additional licensing scheme (covering HMOs not subject to the mandatory scheme) or selective licensing requiring all rented properties in the area to be licensed. Check with your local authority if your property must be licensed.

Failure to licence a property is a criminal offence.

Tax obligations

Letting a property can increase your income and may be taxed. It may also affect any benefits that you receive. Use this online guide to find out your tax obligations as a landlord, and how to work out your rental income if you let out your property. For more information about your financial obligations as a landlord, please check out this video.

Accreditation schemes

You should consider joining a landlord accreditation scheme. Membership of an accreditation scheme can provide various benefits, including a signal to your tenants that as a landlord you meet a set of professional standards. Your local authority can advise you on accreditation schemes operating in your area. There are also national schemes that can provide you with advice and keep you up to date with the latest news.

Checklist

You must ensure that you have an appropriate mortgage or permission from your mortgage lender in place

- You must obtain a property licence (where necessary)
- You should check your tax obligations as a landlord
- You should consider joining a landlord accreditation scheme
You may find it helpful to engage an agent to let and/or manage your property, particularly if you do not have the time to manage the property yourself.

Make sure you have a written agreement with the agent that sets out exactly what they will do on your behalf. If this is not clear, this might cause problems for you and your tenants.

Find out what fees you will be charged and when you need to pay them. The Government has committed to banning letting fees to tenants but this has not yet come into force. You should check what fees (if any) the agent will charge your tenants and ensure that they do not duplicate any fees you might be paying. You should also check that your agent complied with all relevant regulations.

Reputable agents are often accredited through a professional body like ARLA Propertymark, NALS, RICS or UKALA. Look for the SAFEagent sign too.

**Letting agent rules and regulations**

Letting agents must comply with the relevant legislation. They must abide by business rules and regulations, plus those specific to their industry.

**Membership of a redress scheme**

All letting agents and property managers in England must be a member of a government-approved redress scheme. This ensures both landlords and tenants can make complaints to an independent, expert body. By law, information on the name of the redress scheme an agent is a member of must be displayed at each premises of the letting agent or property manager, or published on the website.

**Transparent fees**

All letting agents must publicise the fees they charge so landlords and tenants are aware of the cost of renting through that agent.

**Client money protection scheme notification**

It is good practice for agents to be members of a client money protection scheme, which protects rent paid to the agent whilst it is in their possession in the event of fraud or bankruptcy. In England, all letting agents must state whether or not they belong to a client money protection scheme. Government has committed to making it mandatory for agents in the private rented sector to join a scheme but it is not law yet.

**Checklist**

- You should check if the agent is a member of a professional body
- You should check if the agent is a member of a redress scheme and client money protection scheme
- You should make sure you are fully aware of all the fees your agent will charge you and your tenant and when
- You should have a written agreement outlining the services your agent will provide and when
Getting your property ready

**Gas and electric appliances**

You must provide a gas safety certificate at the start of the tenancy and within 28 days of each annual gas safety check, if there is a gas installation.

Electrical installations and fixed appliances must be safe. It is recommended that checks are carried out at least every 5 years. For HMOs, it is mandatory to carry out checks every 5 years.

It is also recommended that you regularly carry out portable appliance testing (PAT) on any electrical appliances you provide and supply the tenant with a record of any electrical inspections carried out.

You should ensure that anybody carrying out electrical work on the property is competent to do so. You can find your nearest registered electrician here.

**Smoke and carbon monoxide alarms**

Working smoke alarms must be installed on every storey of living accommodation. If your property has any rooms that contain a solid fuel appliance, such as a wood burning stove, working open fire, etc. you must also install carbon monoxide alarms in those rooms.

You must carry out a check on the first day of a new tenancy to ensure that smoke and carbon monoxide alarms are in working order and notify your tenant. Failure to comply can lead to a civil penalty of up to £5,000.

Enforcement officers in your local authority can advise those managing HMOs of the fire safety requirements, as these may differ.
Energy efficiency
You must provide tenants with an Energy Performance Certificate (EPC) (except some HMOs for example, bedsits or where you let out individual rooms) at the earliest opportunity.

From April 2018, privately rented properties must have a minimum EPC rating of E for new lets and renewals of tenancies (by April 2020 for existing tenancies). Where a property qualifies for an exemption, this must be registered on the National PRS Exemptions Register. Local authorities can impose penalties of up to £5,000 for breaches. Tenants can also ask permission to carry out energy performance improvements and you cannot unreasonably refuse consent.

Furniture
You must ensure that any furniture supplied has the required labels and fireproofing.

Water safety
You must ensure the water supply is in working order and carry out a Risk Assessment to assess the risk from exposure to Legionella.
Setting up your tenancy

The paperwork

It is best practice to provide your tenant with a written tenancy agreement. The terms of your agreement must be fair and if your agreement conflicts with the duties imposed on landlords by legislation, then the legislation overrides your tenancy agreement.

The government has published a model tenancy agreement that can be downloaded for free. You may decide to draw up your own agreement. If so, it is recommended that you seek professional legal advice.

Prospective tenants should be given every opportunity to read and understand the terms of the tenancy, before agreeing to enter the tenancy.

Things to consider before making the agreement

How long is the tenancy initially for?

A tenancy can be periodic (e.g. month to month) or for a fixed term. There is no maximum fixed term for a tenancy, although one granted for longer than three years must be executed as a deed. If the tenancy is for more than 7 years special rules apply and you will normally need to use a solicitor to draft it.

Who is responsible for bills such as electricity, gas, water and council tax? You or the tenant?

Usually the tenant pays for these and they must have a choice over the provider for utilities. This should be made clear on the tenancy agreement. In some HMOs, landlords are responsible for the bills and council tax.

It is best practice to:

Carry out reference checks

You may wish to obtain references from your tenants’ former landlords/agents to ensure they are reliable. You may also want to conduct a credit check to confirm their financial responsibility. A letting agent might provide this service, or there are specialist referencing companies. It is good practice for you to cover the costs of any reference checks. You may also want to carry out reference checks yourself, for example by asking to see your tenant’s bank statements or payslips.

Prepare and agree an inventory

We recommend you clear the property of any sentimental possessions, have the property cleaned to a professional standard and agree and sign a full inventory with the tenants, including photos (time and date stamped).

Provide your contact details

Make sure that your tenant has the correct contact details for you or your agent, including a telephone number they can use in case of an emergency.

Other things to consider

You may want to request a rent guarantor

Some landlords ask someone to guarantee the tenants rental payments. If you do this, bear in mind that for sharers, you may need to make it clear which tenant they are providing the guarantee for.
Tenants in receipt of benefits

Tenants who are entitled to housing benefit or universal credit may get help to pay all or part of their rent (up to the Local Housing Allowance (LHA) rate for tenants in the private rented sector). You can check LHA rates using this online calculator.

For more information, see this guide on Universal Credit for landlords or this guide about helping tenants to manage their own rent payments.

Legal requirements

You are legally required to:

**Carry out right to rent checks**

As the landlord, you must check whether a tenant is aged 18 or over and can legally rent in England.

You may need to cross-check tenants’ documents with the Home Office.

**Protect tenancy deposits**

You may ask the tenant to pay a deposit before moving into your property in case of any damage or unpaid bills at the end of the tenancy. It’s important to remember that the deposit is the tenant’s money. For assured shorthold tenancies created since 6 April 2007 the deposit must be protected by a government approved deposit protection scheme.

The landlord (or agent if they are acting on the landlord’s behalf) must protect the deposit in one of the schemes within 30 calendar days from the day the deposit is received and must provide the tenant with details (Prescribed Information) of how their deposit has been protected within the same 30 day period.

Failure to do so means the tenant can take you to court and you will be liable to pay them between 1 and 3 times the amount of the deposit and you will not be able to evict them using a Section 21 eviction notice unless you refund the deposit first.

**Provide a copy of the How to Rent guide, Energy Performance Certificate and a copy of the gas safety certificate**

You must provide your tenants with a copy of the latest version of the How to rent guide at the start of a tenancy, either as a hard copy or, if agreed with the tenant, via email as a PDF attachment. You cannot evict a tenant with a Section 21 notice if you have not provided these documents.

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**Checklist**

- You should provide your tenant with a written tenancy agreement
- You should read the government guidance and consider legal advice on writing a tenancy agreement
- You must carry out right to rent checks
- You must protect your tenant’s deposit in a deposit protection scheme
- You must provide your tenant with a copy of the How to Rent guide
- You must provide your tenant with the property’s Energy Performance Certificate
- You must provide your tenant with a copy of the gas safety certificate

You must not unlawfully discriminate against a tenant or prospective tenant on the basis of their, disability, sex, gender reassignment, pregnancy or maternity, race, religion or belief or sexual orientation.
During a tenancy

As a landlord, you must:

☐ Keep in repair and proper working order the supply of water, gas, electricity and heating.

☐ Keep the property **safe and free from health hazards**. Further information on health hazards can be found in the **How to Rent a Safe Home** guide.

☐ Maintain the structure and exterior of the property.

☐ Carry out most repairs. If something is not working, ask your tenant to report it to you (or your agent) as soon as they can.

☐ Maintain any appliances and furniture you have supplied.

☐ Fit **smoke alarms** on every floor and **carbon monoxide alarms** in rooms with appliances using solid fuels – such as coal and wood – and make sure they are working at the start of a tenancy.

☐ Arrange an annual **gas safety check** by a Gas Safe engineer (where there are any gas appliances).

☐ Get a licence for the property, if it is a **licensable property**.

You should also:

☐ Consider getting landlords’ insurance.

☐ Insure the building to cover the costs of any damage from flood or fire.

☐ Make sure your tenant(s) know how to operate the boiler and other key appliances.

**REMEMBER – It is the tenant’s home.**

You must permit the tenant rights of quiet enjoyment. You cannot access the property whenever you like, unless it is an emergency, and must give at least 24 hours’ notice of visit for things like repairs.

A tenant must:

☐ Pay the rent on time.

☐ Pay any other bills that they are responsible for on time, such as council tax, gas, electricity and water bills. If a tenant pays the gas or electricity bills, they can choose their own energy supplier.

☐ Look after the property. A tenant must get your permission before attempting repairs or decorating.

☐ Be considerate to the neighbours. A tenant could be evicted for anti-social behaviour if they aren’t.

☐ Not take in a lodger or sub-let without checking whether they need permission from you.

The **How to Rent guide** has further details on the tenants’ responsibilities.
At the end of a tenancy

If the tenant wants to stay, you will need to consider the following:

Do you want them to sign up for a new fixed term?
If you are using an agent to manage the property, the landlord and/or tenants may have to pay renewal fees.

Or would you rather they have a ‘rolling periodic tenancy’?
This means you carry on as before but with no fixed term – the tenant can leave at any time by giving notice (normally one month). You can ask the tenant to vacate by giving two months’ notice. This option offers flexibility but less security.

Do you want to increase your rent?
You can increase your rent by agreement or as set out in your tenancy agreement, or by following a procedure set out in law.

If you or the tenant wants to end the tenancy, there are things both of you must do at the end of the tenancy.

Give notice
You must give proper notice if you want the tenant to leave. Normally, the landlord must give at least two months’ notice and the tenant cannot be required to leave before any fixed period of the tenancy has come to end, unless there is a breakout clause.

Return the deposit
If the tenant has met the terms of their tenancy agreement, then they should get all of their deposit back at the end of their tenancy.

You can withhold part of their deposit to compensate for any damage caused to your property or furnishing or cleaning costs, but not for reasonable wear and tear. You must provide appropriate evidence for any claim you make. Inventories are a good way to do this.

You must return the deposit to the tenant within 10 days of you both agreeing how much you’ll keep. If the tenant disagrees with the amount that you decide to withhold from their deposit, they may raise a dispute with your deposit protection scheme. You should check the process of raising a dispute with your relevant scheme.

Make sure the rent payments are up to date
Your tenant cannot withhold rent because they think that it will be taken out of the deposit.

Check that the tenant has not left bills unpaid
Ask your tenant if they have paid the bills they are due to pay.
If things go wrong

If your tenant has a complaint about the condition of the property, it is your responsibility to repair it. If you don’t, your tenant can ask the local authority to carry out an inspection. The local authority has a duty to take action if it considers there is a serious risk to health and safety. If they decide to serve an improvement notice, you cannot evict your tenant with a section 21 notice for six months. If you fail to comply with a statutory notice, local authorities may prosecute or issue a civil penalty of up to £30,000.

If your tenant is having financial troubles or falling into arrears encourage your tenant to speak to you. Try to be helpful and sympathetic.

If you want the tenant to leave the property, you must notify them in writing, with the right amount of notice. Tenants can only be legally removed from the property with a court order.

If you are evicting a tenant who may potentially become homeless, advise them to contact the Housing Department of your local authority straight away.

If you have a complaint about a letting agent’s service and they don’t resolve your complaint, you can complain to their independent redress scheme. If they fail to comply with legal requirements, you should contact your local Trading Standards.

Banning orders and the database of rogue landlords

Local authorities have powers to apply for banning orders which ban landlords or property agents from letting housing in England, engaging in English letting agency work and/or property management work if they have been convicted of a banning order offence. Offences include failing to comply with a formal notice issued by the local authority requiring safety improvements and illegal evictions. Landlords or agents will be added to the database of rogue landlords and property agents if they receive a banning order. They can also be added to the database if they are convicted of a banning order offence or receive two or more civil penalties within a 12 month period.

Evicting a tenant

There are two notices a landlord can serve to begin the eviction process:

- Section 21 notice – if you want your property back at the end of the fixed term or after it ends
- Section 8 notice – if your tenants have broken the terms of the tenancy

You can either give your tenants a Section 21 notice or a Section 8 notice, or both.

Speak to a solicitor or a landlord advisory body if you don’t know which notice to give.

Landlords usually use the section 21 procedure to evict tenants, giving the tenant at least 2 months to vacate the property.

Landlords can use the section 8 procedure if the tenant has rent arrears, has broken the terms of the tenancy agreement, or one of the other grounds in Schedule 2 of the Housing Act 1988 applies.

If the tenant has failed to vacate after either notice has run out, you must apply for a court order. If the tenant still won’t leave, you can request bailiffs to remove the tenant from your property.
Further sources of information

### Sector bodies
- Guild of Residential Landlords
- London Landlord Association Scheme
- National Landlords Association
- Residential Landlords Association
- Royal Institution of Chartered Surveyors
- Southern Landlords Association

### Help and advice
- Citizens Advice
- Your local Trading Standards
- The Law Society
- Propertychecklist
- Lets with Pets – for advice on renting to pet owners
- Guidance on managing HMOs
- Money Advice Service

### Tenancy deposit protection schemes
- Deposit Protection Service
- MyDeposits
- Tenancy Deposit Scheme

### Letting agent redress schemes
- The Property Ombudsman
- Ombudsman Services Property
  (until 6 August 2018)
- Property Redress Scheme

### Also in this series
- The Government’s ‘How to Rent a Safe Home’ guide helps current and prospective tenants ensure that a rented property is safe to live in.
- The Government’s ‘How to Rent’ guide helps tenants and landlords in the private rented sector understand their rights and responsibilities.
- The Government’s ‘How to Lease’ guide helps current and prospective leaseholders understand their rights and responsibilities.