

PRO SPEC



Guide to Renting your next Home



More and more people are living in private rented accommodation. In fact, 1 in 5 properties in the UK are now rented.

As there are so many people renting homes, the market moves fast. This can mean if you find a home you like, you'll likely need to make a decision and complete paperwork straight away, not leaving you with much time to think.

This comprehensive guide to renting will take you through the rental journey, giving you hints and tips for each step and ensuring you know everything that's required from you before you make the big decision.

How much can you afford?

Before speaking with any estate agents, the first thing you need to work out is: can you actually afford to rent? And if so, how much can you afford?

Most agencies will work on the basis that the combined income of all tenants must equate to 30 times the monthly rent. For example, if you're looking at renting a property for £1,000 per month you'll need a combined income of £30,000 per annum.

Aside from monthly rent, there are other costs relating to a tenancy to consider when doing your sums – we have broken these down for you in the next section. And don't forget to also take into account your current monthly outgoing commitments - your car, phone, utility bills and otherwise.

TOP TIP:

There are lots of rental calculators online which will help you figure out exactly how much you can afford after your current monthly expenses - just Google 'Rental Calculator' to see.



Extra Costs to be aware of

Naturally there are costs other than the monthly rent involved when renting a property. The bulk of these costs come at the start of your tenancy so it's wise to be aware of these and have money ready before starting your search.

The costs a tenant can be liable to pay are as follows...

Holding Deposit

When you find a property you like and want to secure for yourself, you'll need to pay a holding deposit (this is different from a security deposit, which is explained below). A holding deposit reserves the property for you, ensuring the landlord or estate agent stop advertising it. After this, you have 15 days to enter into a tenancy agreement (unless agreed otherwise).

Should the tenancy not proceed due to the landlord or agency, you will receive your full holding deposit back. This could include:

- the move-in date
- the terms of the tenancy agreement
- the rent
- the tenants
- the length of the fixed term
- the rental period (e.g. monthly, weekly)

However, if the tenancy does not proceed because you (the tenant) changes your mind, the holding deposit will not be refunded - so make sure you definitely want the property before placing a holding deposit!

The holding deposit should be no more than one week's rent and if the tenancy proceeds, this money will then either be returned or will be used as part of your security deposit and/or first month's rent.

Security Deposit

This is a sum of money, equivalent to up to five weeks' rent, which is taken at the start of a tenancy to protect the landlord against any damages to the property, professional cleaning or even key replacement at the end of the tenancy. Although this isn't anywhere near the size of the deposit you'll need when buying a home, it can still seem daunting to save such a large lump sum of money.

Once paid to your landlord, the security deposit must be registered with a third party like the Tenancy Deposit Scheme. Your landlord or agency must advise you where the deposit is registered in case of any disputes.

If the property is left in the same condition as when you moved in and there are no damage or items that need replacing, you'll get your full security deposit back at the end of the tenancy.

If you're struggling to save for a deposit, there are many 'deposit insurances' available, such as a smart deposit which allows you to pay a monthly premium instead of a one-off deposit. You often end up paying more in the long run and you won't receive anything back at the end of your tenancy but it's worth considering if you can't wait to save up a lump sum.

TOP TIP:

With the cost of borrowing so low at the moment, mortgages are often cheaper than monthly rentals. With the likes of Heylo and Help to Buy, which help first-time and second-time buyers, it's worth looking at buying options and seeing if you can actually afford to buy rather than rent.

Rent in Advance

Private landlords ask for the first month's rent upfront, so make sure you have enough money saved to cover this.

Landlords cannot ask for more than this amount of rent upfront. However, in instances of a failed reference check, paying more rent in advance could be a solution as it will assure the landlord and secure you the tenancy when you otherwise may not be accepted.

Unpaid Rent

If you miss a rent payment by more than 14 days then this rent payment will be charged at 3% interest from the due date until the date you pay the rent.

Lost Keys or other Security Devices

You are liable to pay for replacement of any lost keys or security devices and if the loss results in requiring a locksmith or other contractor to attend to the property you will be charged for this also.

Amendment Fee (aka Variation of Contract Fee)

If you need amendments to your tenancy agreement during the tenancy – for instance, if there is a change of tenants – there will be a small charge, capped at £50. This is only payable by the tenant if the change is at the tenant's request – if your landlord has requested the change, you will not be charged.

Early Termination Fee

Should you wish to leave the contract early, you will be liable for the landlord's costs in re-letting as well as all rent due until the replacement tenancy starts. It is therefore important to make sure that you can commit to the full term stated on the tenancy agreement before signing.

If you do need to terminate early, a cheaper option would be to find a new tenant to replace you yourself then pay the £50 amendment fee.

Usually, a tenancy agreement will include a 'break clause' that will give you (the tenant) or the landlord

the opportunity to terminate the tenancy at the 'break clause' without paying the additional costs. For a 12 month tenancy, a 'break clause' is usually for 6 months into the tenancy. Before signing any tenancy agreement, make sure you ask your agent about any 'break clauses'.

The Tenant Fees Acts 2019

As of 1 June 2019, many fees for tenants have been banned. You should not be required to pay for any of the following if you move into a property following this date:

- Viewings
- Referencing
- Credit checks
- Guarantor fees
- Administration fees or any fees relating to applying for, negotiating and setting up a tenancy agreement
- Renewals
- Express Move In Fees - for when you wish to move into a property more quickly
- Pet Clause Fees - for having a pet living in the property
- Permitted Occupier Fees - for tenants who are legally residing at the property but have no obligation to pay rent or other fees
- Right to Rent Fees – costs relating to asking a tenant for a document proving they can live in the UK
- Check in or check out fees

TOP TIP:

The full Tenant Fees Act 2019 can be found on the government website – visit <http://www.legislation.gov.uk/ukpga/2019/4/contents/enacted>





Finer details of your rental

Before you start speaking with lettings agents, it's good to be aware of what you really want in a property and roughly how long you'll want to rent for.

Ask yourself these questions:

- How many bedrooms do you actually need?
- Living areas in your home – do you need a separate dining room or would you be happy with a table in the living room or kitchen?
- Are there any schools/local amenities you must be near?

- How long would you like your tenancy to be? Knowing how long you want to stay in a property is one of the first things a lettings agent will ask. It's important to know as some landlords may only want a tenant for a short term, but also there are costs involved should you wish to increase your tenancy longer than originally agreed.

- What other features do you want from the property? Do you need parking? Do you have children or pets? Do you want furnished or unfurnished?

TOP TIP:

You can always add a 'Break Clause' into a tenancy agreement. However, if you enter into a second tenancy after leaving your first one, you'll have to pay for the initial costs of renting a property again.

Searching for a Property

Once you know what you want in a property and how much you can afford, it's time to start looking for suitable properties.

Visit online property portals (like [Rightmove.co.uk](https://www.rightmove.co.uk)) and search for properties using the filter option, stating any desired criteria. You can also set up alerts on these websites notifying you of market updates relating to properties that might be of interest to you.

You can also sign up with an estate agent who will take your information and details about what you're looking for and will then send you any relevant properties.

If there are no properties matching your criteria in your price range, you will need to reassess what you want.

Arranging Viewings

Hopefully all has gone to plan and you have found properties within your budget that meet your desired criteria.

But it's not enough to just look at pictures online – you will also need to book viewings to ensure that the property looks like it does in the pictures and to ensure there are no big red flags.

Here are some important things to look out for and enquire about when you go to a viewing:

- Is there damp? Look out for any funny smells, flaky plaster and watermarked walls or ceilings.
- Does the property seem secure? Consider not just doors and windows, but also whether the road and local area are safe.
- Do the smoke alarms work? And what about the burglar alarm and carbon monoxide detector?
- Is there a garden? If so, check who is responsible for maintenance.
- Take a minute to just breathe... do you hear anything? How loud is the traffic? Do the walls seem thin?
- Is anything broken? If so you might want to make sure this gets fixed before your tenancy begins.
- What kind of heating is there and how much is it? And how much are the bills and council tax in general?
- Is there parking? Is it on street (which you may have to pay for to get a permit) or is there a driveway/garage?
- Does the water run okay? Definitely check the shower during your viewing – there's nothing worse than moving in and finding the shower only trickles!
- Is there enough space for you, including storage space?
- If kitchen equipment (or any other equipment) is provided, what condition is it in? What items are not provided that you might need?
- If it is a house share, ask about who your other housemates are. It will be important that you all get along well - perhaps you could even arrange a meet up before you move in if you like the property.

Viewings can be arranged by simply contacting the landlord or agent listed on the advert. If you like the look of a property, message them quickly because the rental market moves fast!

TOP TIP:

If the current tenant is in the property at the time of the viewing, this is a great opportunity to pick their brain about what it's really like to live there. No one knows better than they do! And always ask them why they're moving out.

Also, don't be afraid to request a second or even a third viewing (we'd suggest at different times for the day) and you might want to get a second opinion so ask a friend or family member to tag along.





Holding the Property

If you go to a viewing and like the property, it is advisable to pay the holding deposit ASAP before someone else does. The holding deposit reserves the property and ensures no one else views it whilst you complete the paperwork and referencing.

Confirming the Tenancy

After paying the holding deposit the property is taken off the market and reserved for you but it isn't yours until references are conducted, the tenancy agreement has been signed and fees have been paid.

Reference Checks

Reference checks are conducted to ensure that you are a suitable tenant for the property and will be able to pay your rent. It can include the following:

- References from your current landlord and employer
- Financial checks (e.g. an employment contract or offer letter, recent payslips or bank statements)
- Credit checks
- Identification of who you are

If you fail the reference checks you may need a guarantor to help you secure the property. A guarantor is someone who is financially stable who will be obligated to pay the rent or for damages should you be unable to do so. Your guarantor may also have to undergo reference checks to ensure they can do this.

If finding a guarantor isn't an option for you, don't panic: there are still lots of options available. If you are in the position to do so, paying rent upfront can reassure the landlord that there's no need for a guarantor. If that isn't an option, you could instead pay a higher deposit to reassure them, or pay for a rent guarantee and legal expenses policy, which covers rent in instances where tenants fall in arrears. There are also Rent Guarantor Services now, which you pay to act as guarantor for you.

The Tenancy Agreement

The landlord or estate agent will send you the tenancy agreement to read through and sign. This will detail:

- The parties involved
- The property and address
- The rental price
- The deposit amount
- The length of the tenancy
- Your rights and responsibilities
- The landlord's rights and responsibilities
- The move in date
- Information about how to end the tenancy

Read your tenancy agreement carefully and if you have any concerns seek advice before you sign and return it.

The Fees and Deposit

You will be requested to transfer the deposit prior to moving in. This usually equals up to five week's rent and is used to protect the landlord against any damages to the property, professional cleaning or even key replacement at the end of the tenancy.

In addition to the deposit, you may also need to pay a portion of rent upfront. This is usually no more than one month's rent, but it can be more.

Level of Tenancy

It's important to understand what level of tenancy you have so you know who to go to with any maintenance issues, this should be detailed in your Tenancy Agreement. If you have a fully managed or agency managed, your primary point of contact will be your Property Manager. However, many Landlords will manage the property themselves, so you will need to raise any issues directly with them.

Moving In

Once the tenancy has been signed by both parties and the fees have been paid, you will receive confirmation of details for moving in.

Your landlord or agent must send you a number of documents in relation to this:

- A copy of the "How to Rent" guide.
- A copy of the tenancy agreement signed by both parties.
- A gas safety certificate – if there is a gas installation in the property, the landlord must provide a copy of the gas safety certificate every year.
- Deposit paperwork – as stated above, the landlord must send you information on the Deposit Protection Scheme being used within 30 days of you moving into your new home.
- The Energy Performance Certificate (EPC) – this affects your energy bills and must be provided.

- A record of any electrical inspections – all appliances must be checked, every 5 years.

- The correct details for your landlord or agent.

Before the keys are handed over, a check-in report (or inventory report) will be conducted. This will note every item in the property as well as any pre-existing damage. It is a good idea to attend this and take photos for your own records to avoid there being a dispute at the end of the tenancy.

The check-in report will then be sent to you and your landlord and will be used again when you move out to reassess the condition of the property prior to releasing your security deposit.

Make sure to also take meter readings when you move in, or else you might end up paying for the previous tenant's bills.

Finally, the agent or landlord will hand over the keys. Welcome to your new home!





Handling Disputes

Hopefully you will never be in dire need of this section of the guide. Nonetheless, disputes do sometimes happen, so it's good to be aware of your options in such instances.

Disputes during your Tenancy

You can complain about your landlord if they are in breach of the tenancy agreement, for instance if:

- They aren't doing repairs they're responsible for
- They enter the property without your permission
- They discriminate against you, for example by charging you a higher rent or deposit than other tenants because of your nationality, race, age or sex

The Process for Disputes during your Tenancy

If you find yourself having problems with your landlord during the tenancy, you should take the following steps:

1. Talk to your landlord and/or letting agent.

- Explain the problem and how you'd like to resolve it in a calm and respectful manner. This could be the quickest and easiest way to solve the problem. If this hasn't worked, speak to your nearest Citizens Advice Bureau.

2. Make a formal complaint in writing to your landlord or letting agent. Make sure to include as much information as possible – what the complaint is about, dates, times, photographs, copies of emails, receipts, and anything else that may be relevant.

3. If a formal complaint still doesn't resolve the issue, there are various routes you can take. Talk to:

a. Your Local council (for health and safety risks, illegal eviction, harassment and dishonest or unfair trading behaviour)

b. Trading Standards (for dishonest or unfair trading behaviour)

c. Property Mark (if your agent is a member)

d. Environmental Health (for health and safety hazard such as dangerous electrical wiring or gas pipes or appliances, dangerous structural disrepair, damp and mould or asbestos)

e. The Property Ombudsman (TPO) or The Property Redress Scheme (if your agent is a member and they've failed to respond to your formal letter within 8 weeks)

f. Court Actions (however this could be costly, so seek free legal advice first)

- Talk to your local council. However, they are only able to get involved with disputes relating to health and safety risks, illegal eviction, harassment and dishonest or unfair trading behaviour.

- Complain to Trading Standards in instances where your complaint relates to dishonest and unfair trading.

- You can complain to PropertyMark if your agent is a member.

- You can complain to environmental health, where there is a health and safety hazard such as dangerous electrical wiring or gas pipes or appliances, dangerous structural disrepair, damp and mould or asbestos.

- You can complain about a letting agent via the letting agent redress scheme. If the letting agent hasn't appropriately responded to your formal complaint letter (as detailed in step 2) after 8 weeks, you can contact The Property Ombudsman (TPO) or The Property Redress Scheme (depending on which is listed on your agent's website) to initiate this process.

- You can try taking court action. This can be expensive, so do seek legal advice first.

Deposit Disputes

if there are deductions from the deposit, the landlord will send you a detailed breakdown of how much and for what reason.

Things that can and cannot be deducted from your deposit.

Can:

- Unpaid rent or bills
- Missing or damaged property belonging to the landlord
- Lack of sufficient cleanliness at the end of the tenancy

Cannot:

- Repair of appliances or utility systems
- Maintenance and repair of the structure and exterior of the building
- Other general wear and tear

The most definitive guide to what should and shouldn't be detracted from your deposit is the tenancy agreement. The inventory report is also very important to show what state the property was in before the tenancy began, showing how much damage has been done and whether it is more than expected wear and tear.

To avoid a dispute, make sure you take good care of the property, promptly report any maintenance issues and clean and fix everything before you vacate at the end of the tenancy.

Handling Deposit Disputes

If you do find yourself in a dispute with your landlord about how much of your deposit should fairly be returned there are different routes you can take to resolve the problem.

A calm discussion with your landlord/Property Manager is always the best starting point to resolve the issue without cost and stress. It is good to back your points with photos and documentation. Make sure the conversation happens in writing to use as evidence should the matter worsen.

If the matter isn't resolved, there are two options:

Option 1) If you paid your deposit after 6 April 2007, your deposit should be protected in a government recognised scheme, so you can go down the Alternative Dispute Resolution (ADR) route. Get in touch with your deposit protection scheme. They can then appoint an adjudicator to review your case, including all the documentation and evidence you send them, and come to a decision. However, once this decision is made you cannot progress your dispute any further if you are not satisfied with the result.

Option 2) If you paid a deposit on or before 6 April 2007 your money is not protected by a government backed scheme, so you may need to raise a claim with County Court. Seeking legal advice is recommended for this option as it involves various court directions and deadlines. The court will assess your case and inform the landlord of your claim, and if no agreement is reached you will go to court for a judge to decide the outcome.

TOP TIP:

Even if you are in a dispute over how much of your deposit is to be returned, the undisputed part of the deposit should nonetheless be returned to you within 10 days of your request for it.





Breakdown of different organisations that can help if you feel you are being mistreated:

Citizens Advice Bureau

www.citizensadvice.org.uk Give free, confidential information and advice.

Your Local Council

www.gov.uk/find-local-council Can get involved with disputes relating to health and safety risks, illegal eviction, harassment and dishonest or unfair trading behaviour.

Trading Standards

www.gov.uk/find-local-trading-standards-office Can help in instances relating to dishonest and unfair trading.

Propertymark

www.propertymark.co.uk Consists of five associations (ARLA, NAEA, NAVA, ICBA and APIP) committed to promoting high industry standards. You can make a complaint with Propertymark if your agency is a member.

Environmental Health

www.gov.uk/find-local-council Can help in instances where there is a health and safety hazard such as dangerous electrical wiring or gas pipes or appliances, dangerous structural disrepair, damp and mould or asbestos.

The Property Ombudsman

www.tpos.co.uk Resolve disputes between tenants and landlords should the formal complaints procedure not reach a satisfactory result.

The Property Redress Scheme

www.theprs.co.uk Resolve disputes between tenants and landlords should the formal complaints procedure not reach a satisfactory result.

Civil Legal Advice national helpline

(Telephone: 0345 345 4345): For those below a certain income, this helpline can offer free legal advice.

Shelter

<https://england.shelter.org.uk> This registered charity offers advice, support and legal services relating to housing.

Law Centres Network

www.lawcentres.org.uk Defend the legal rights for those who can't afford a lawyer.

Law Works

www.lawworks.org.uk An organisation running legal advice clinics, covering issues including housing, benefits and debt. Clients usually have 15-45 minutes to explain an issue and you will receive basic advice on the next steps to take. Some clinics may also offer to draft a letter.



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