



A clear, impartial guide to

# Letting a property

For use in England, Wales and Northern Ireland



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# How an RICS member can help you let your property

This guide has been written by RICS and explains the basic legal and practical issues involved in letting a flat or house. Giving you a checklist of the process you will go through, it also explains how RICS letting agents can help if you need any professional advice.

**Many letting agents throughout the UK are RICS members. Here are the advantages of using an RICS regulated firm:**

- they give you clear, impartial and expert advice
- they act professionally
- they are tightly regulated and have to follow strict rules of conduct – including having in place client money protection and appropriate insurance
- RICS members have a specific set of rules and best practice guidance, the RICS UK Residential Property
- Standards designed to help ensure RICS letting agents provide exceptional service
- RICS members have to update their skills and knowledge throughout their careers, so you can rely on their expertise
- you are protected by a complaints procedure and access to independent redress, for example through an Ombudsman scheme.

Look out for firms that are 'Regulated by RICS' and that follow the standards set out in the RICS UK Residential Property Standards. Agent firms that are regulated by RICS are easy to spot as they use 'Regulated by RICS' on their stationery and promotional material.

Once you have your property to let, it is worth remembering that it could take several weeks for a suitable tenant to be found.

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# The process

## Preparing your property for let

There are a number of issues to consider before you are able to put your property on the market to let.

## Choosing an agent

Using a professional letting agent – who has client money protection, belongs to an approved redress scheme and operates to recognised standards is advisable. Employing an RICS agent will help ensure you obtain a suitable tenant on an appropriate tenancy, efficient management of your property and will ensure you don't fall foul of legislation.



# Preparing your property for let

Whether you have let before, or this is your first time, when you let a home there is a lot to think about:

## What is an Assured Shorthold Tenancy and when should I use it?

If the rent on the property is less than £100 000 per year and you rent your property to private individuals, the tenancy automatically becomes an Assured Shorthold Tenancy (AST) unless you have an agreement for an assured tenancy. An AST usually lasts for six to 12 months, unless you wish to agree a different fixed term for the tenancy in advance with your tenant. Sometimes landlords are prepared to grant a longer tenancy, particularly to reliable tenants on renewal.

When the fixed term of the tenancy has expired the landlord is able to gain back possession of the property provided they give two months written notice to the tenant. In addition, if the tenant owes at least two months or eight weeks rent on the property you can apply through the court to seek a possession order.

## What about Tenancy Deposit Protection?

Anyone holding a tenancy deposit (either as landlord or managing agent) must belong to an authorised scheme. The scheme protects the deposit during the tenancy and deals quickly and independently with any dispute over its return at the end of the tenancy. You or your managing agent must tell your tenant within 14 days of them handing you their deposit which authorised scheme the deposit is protected by and provide details of the scheme. Failure to protect the deposit can result in a fine of up to three times the amount of the deposit and loss of eviction rights. For more details on the authorised schemes in England and Wales and Northern Ireland please visit [www.rics.org/tds](http://www.rics.org/tds)

## Is my property subject to Houses in Multiple Occupation license provisions?

Landlords are required to apply for a licence from their local authority if the property they manage falls under the government's Houses in Multiple Occupation (HMO) license provisions and may require planning permission.

In England an entire house or flat let to three or more paying tenants who form two or more households is subject to mandatory HMO licensing.

However, licensing requirements differ between local authority areas. Landlords should contact their local authority to find out if their property is subject to HMO licensing but an RICS letting agent will be able to advise you on this tricky area.

For more details please visit the Department for Communities and Local Government website <https://www.gov.uk/renting-out-a-property/houses-in-multiple-occupation-hmo>

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## What is the Housing Health and Safety Rating System (HHSRS) and what action do I need to take to comply with it?

The HHSRS provides an analysis of how hazardous a property is through assessment of 29 potential hazards found in housing. Landlords have to maintain their properties to provide a safe and healthy environment. The HHSRS is enforced by local authorities. For further information visit [www.gov.uk/hhsrs](http://www.gov.uk/hhsrs)

## What are the health and safety requirements?

Before you let your property you must make sure by law that it and its contents comply with various safety regulations, including:

- Furniture and Furnishings (Fire) (Safety) Regulations 1988
- Gas Safety (Installation and Use) Regulations 1998
- Smoke Detectors Act 1991
- Electrical Equipment (Safety) Regulations 1994.

Visit [www.gov.uk/government/publications/letting-your-home](http://www.gov.uk/government/publications/letting-your-home) for more details.

Landlords are required to produce certificates meeting these regulations where appropriate and should ensure that a Portable Appliance Testing (PAT) for all electrical appliances is undertaken.

## Other considerations before letting your property

In addition to all of the above, you will also need to make sure you have:

- an agreed inventory of all items left in the property and of the property's condition. This is particularly useful in avoiding disputes at the end of the tenancy and repayment of deposits
- obtained permission from your mortgage lender if you have a mortgage on your property that is not a buy-to-let mortgage. If you own a leasehold property you will need to tell your freeholder
- advised your insurers and highlighted what items within the property you will be insuring and those that will fall to your tenants to insure.

# Choosing a letting agent

You can advertise and manage your property yourself, but it can be stressful and requires specialist knowledge. Therefore many landlords use an agent to market and/or manage their property.

An RICS agent will provide written confirmation of their terms, conditions and costs for acting on your behalf. Ensure you have these from your chosen agent before signing anything.

RICS agents must follow strict rules of conduct and be part of an approved redress scheme. They also belong to a client money protection scheme.

Most tenants look for properties through letting agents. Agents who are RICS members follow the correct legal procedures to find a suitable tenant.

In general, an RICS letting agent will:

- advise on the current length of tenancy and rent to charge
- advise whether to let out your property unfurnished, partially furnished or furnished and whether minor improvement can be made to increase the rental value
- promote your property to potential tenants
- handle the letting process
- prepare the tenancy agreement
- belong to a tenancy deposit protection scheme to safeguard the tenant's deposit.

## Landlord registration

Landlord registration is being introduced in some parts of the UK and an RICS letting agent will be able to advise you if this applies in your area.

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# Marketing your property

Once you are ready to market your property and if you have employed a letting agent to undertake the letting for you, they will discuss the type of tenant you would like to attract and the terms on which you would be advised to let it to meet your individual needs.

The letting agent will also discuss the rent to expect from the let, taking into consideration the type of property, age and the fixtures and fittings to be included in the let.

You cannot discriminate on the grounds of sex, race, sexual orientation, age, religion, marital status or disability.

Once you have confirmed your instruction to the agent he will commence the marketing and will advertise the property on your behalf in order to find suitable tenants. An RICS letting agent will undertake the viewings and ensure that the property is let without delay.

If you employ an agent to undertake the letting, you will need to sign an agreement with them which outlines their charges and the length of the contract. It is important that you understand the contract before you sign as you should avoid a lengthy tie-in.



# Agreeing the let

When you have found suitable tenants for your property you will need to agree the terms and conditions of the let with them.

Essentially, it is at this point that you must determine who is responsible for what. Here are a few of the more usual responsibilities:

## Landlord is responsible for:

- repairs to the property
- paying the building insurance
- paying any ground rent and service charge where applicable
- insuring any items, such as furniture and kitchen equipment included in the property
- if you are not using an agent you will have to register any deposit with an approved tenancy deposit scheme and inform the tenant in writing where this is held.

## Letting agent is responsible for:

- getting written references for the prospective tenant. Usually these include:
  - credit referencing check
  - current and/or previous employer[s] to confirm they are in employment and their salary will cover the rent
  - current and/or previous landlord[s] to confirm they were satisfactory tenants
  - where required, the guarantor's references
- preparing the tenancy agreement
- obtaining the deposit and initial rent and, where appropriate, register any deposit with an approved tenancy deposit scheme and inform the tenant in writing where this is held
- arranging for an inventory to be prepared.

## Tenant is responsible for:

- paying the rent and deposit
- paying or contributing towards the bills, as well as any other costs agreed and stated clearly in the tenancy agreement, such as:
  - inventory and tenancy agreement costs
  - administrative charges
  - responsibility for council tax, water rates, gas, electricity, telephone charges, television licence fee, etc.
- return the property to you at the end of the tenancy in the same condition as at the start of the tenancy allowing for fair wear and tear.

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# Energy Performance Certificate

All domestic properties being let require an Energy Performance Certificate (EPC). The EPC is broadly similar to the labels now provided with domestic appliances such as refrigerators and washing machines.

Its purpose is to record how energy efficient a property is as a building. The certificate provides a rating of the energy efficiency and carbon emissions of a building from A to G, where A is very efficient and G is very inefficient.

EPCs are produced using standard methods with standard assumptions about energy usage so that the energy efficiency of one building can easily be compared with another building of the same type. This allows prospective tenants to see information on the energy efficiency and carbon emissions so they can consider energy efficiency and fuel costs as part of their investment.

An EPC is always accompanied by a recommendation report that lists cost effective and other measures to improve the energy rating of the home. The certificate is also accompanied by information about the rating that could be achieved if all the recommendations were implemented.

Your agent will need to know if there is a Green Deal finance agreement on the property as prospective tenants will need to be told.



# Landlord's checklist

Here is a brief summary of the various costs to consider when letting your property:

## Gas and electrical testing

You will need to ensure that an authorised engineer has tested all gas and electrical appliances to ensure they comply with current safety standards. This will need to be undertaken by a qualified professional and there will be charges made for this service.

## Insurance

You need to ensure that you have insurance on your property and make sure you know exactly what is covered in the policy. You will need to advise the insurers that the property is being let.

## Letting agent's charges

There are likely to be fees incurred for employing an agent to undertake the administration and management of your property. Charges vary from one agent to another, so it's worth checking on fees in your area but remember when using an unregulated agent there may be hidden fees and an RICS agent may provide better service and save you money in the long run.

## Repairs and maintenance

Any repairs or maintenance that is required on the property will need to be paid for by the landlord, unless it is damage caused by the tenant.

## Storage

You may have to pay for some of your furniture and furnishings to go into storage if you are to let the property unfurnished.

## Tax

Landlords are liable to pay tax on income received from rent. Further information can be obtained from the Tax Office.

Visit [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

## Tenancy Deposit Protection

You will need to ensure that you or your agent belongs to a scheme to protect tenants' deposits.

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# Useful links

Here are some useful website addresses for advice when you're letting a property:

RICS

**[www.rics.org](http://www.rics.org)**

Department for Communities and Local Government

**[www.gov.uk/dclg](http://www.gov.uk/dclg)**

Northern Ireland Executive

**[www.northernireland.gov.uk](http://www.northernireland.gov.uk)**

HM Revenue & Customs

**[www.hmrc.gov.uk](http://www.hmrc.gov.uk)**

Local councils

**[www.gov.uk](http://www.gov.uk)**

National Approved Letting Scheme

**[www.nalscheme.co.uk](http://www.nalscheme.co.uk)**

Residential Property Tribunal Service

**[www.justice.gov.uk/tribunals/residential-property](http://www.justice.gov.uk/tribunals/residential-property)**

## Tenancy Deposit Schemes

### England and Wales

The Dispute Service  
[www.thedisputeservice.co.uk](http://www.thedisputeservice.co.uk)

My Deposits  
[www.mydeposits.co.uk](http://www.mydeposits.co.uk)

The Deposit Protection Scheme  
[www.depositprotection.com](http://www.depositprotection.com)

### Northern Ireland

Letting Property Services  
[www.lettingprotection.com](http://www.lettingprotection.com)

My Deposits  
[www.mydeposits.co.uk](http://www.mydeposits.co.uk)

TDS Northern Ireland  
[www.tdsnorthernireland.com](http://www.tdsnorthernireland.com)



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# Free RICS guides

RICS has a range of free guides available for the property issues listed here.

## **Development issues**

Compulsory purchase  
Home extensions

## **Home hazards**

Dilapidations  
Flooding  
Japanese knotweed  
Subsidence

## **Neighbour issues**

Boundary disputes  
Party walls  
Right to light

## **Residential**

Buying a home  
Buying and selling art and antiques at auction  
Home surveys  
Letting a property  
Property auctions  
Renting a property  
Selling a home

## Further information

We hope this guide is useful to you. If you'd like to know more about letting a property, or how RICS can help, please contact us.

### Visit our website

[rics.org/consumerguides](https://www.rics.org/consumerguides)

alternatively email

[contactrics@rics.org](mailto:contactrics@rics.org) or call the RICS Contact Centre **02476 868 555**

### Consumer helplines

RICS offers telephone helplines giving you 30 minutes of free advice on:

- Boundary disputes
- Party walls
- Compulsory purchase.

Just call **02476 868 555** and you will be put in touch with an RICS member local to you, willing to provide a free 30 minute initial consultation. Lines are open

**0830 –1730 [GMT], Monday to Friday.**

## Find a Surveyor

Contact us if you want to find independent, impartial advice from a qualified professional with good local knowledge.

Look out for firms that are 'Regulated by RICS'. Estate agents and surveying firms that are regulated by RICS are easy to spot as they use 'Regulated by RICS' on their stationery and promotional material.

To find an RICS firm in your area visit

[www.ricsfirms.com](https://www.ricsfirms.com)

alternatively email

[contactrics@rics.org](mailto:contactrics@rics.org) or call the RICS Contact Centre **02476 868 555**



## Advancing standards in land, property and construction.

RICS is the **world's leading qualification** when it comes to professional standards in land, property and construction.

In a world where more and more people, governments, banks and commercial organisations demand greater certainty of **professional standards and ethics**, attaining RICS status is the recognised **mark of property professionalism**.

Over **100 000 property professionals** working in the major established and emerging economies of the world have already recognised the importance of securing RICS status by becoming members.

RICS is an **independent** professional body originally established in the UK by Royal Charter. Since 1868, RICS has been committed to setting and upholding the **highest standards of excellence and integrity** – providing **impartial, authoritative advice** on key issues affecting businesses and society.

RICS is a **regulator** of both its individual members and firms enabling it to **maintain the highest standards** and providing the basis for **unparalleled client confidence** in the sector.

RICS has a worldwide network. For further information simply contact the relevant RICS office or our Contact Centre.

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