



Becoming a landlord: what you need to know

[#MyFirstRentalHome](#)

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Introduction

There's a lot to get your head around when you first become a landlord. To help you out, here are some useful pointers. From making sure you understand the law, to protecting yourself from problem tenants, to setting rent at the right level, this guide talks you through the key issues.

Got your own landlord insights you'd like to share? You can join the conversation online using the hashtag [#MyFirstRentalHome](#).

Understand the law

You have a number of legal responsibilities when you become a landlord, and you can get in big trouble if you don't meet them.

For example, you're expected to:

- Ensure your property/ies are safe to live in
- Make sure that all electrical and gas equipment is installed and maintained safely
- Fit and test smoke alarms and carbon monoxide alarms
- Keep your property in good condition
- Protect your tenant's deposit in a scheme approved by the government
- Provide an Energy Performance Certificate and ensure the property meets new MEES rules
- Give your tenants at least 24 hours' notice before accessing the property to inspect it or carry out repairs (unless it's an emergency)
- If your property's in England, check your tenant has the right to rent
- Pay income tax on the rent you take in (minus any day-to-day running costs)
- Pay Class 2 National Insurance if the work you do in connection to letting your property is classified as running a business

So that you don't accidentally end up on the wrong side of the law, it pays to spend time reading up on your responsibilities as a landlord.



Be wise when setting your rent

Knowing how much to charge tenants for your rental property can feel like a minefield. Go too high and you might struggle to attract tenants; go too low and you'll be losing out on potential income. There are some key factors you'll need to take into account when you're setting your rent. They include:

- **Location** - The area your property's in will have a big impact on how much you can charge. This includes proximity to local amenities, schools, transport links and recreational facilities.
- **Type of tenants** - Your pricing will in part be determined by the people you're trying to attract. For example, professionals tend to be prepared to pay considerably more than students.
- **Features** - Selling points like off-street parking and outdoor space can increase the appeal of your property and mean you can charge more.
- **Condition** - The condition of your property inside and out, and whether or not it comes furnished, will impact on the level of rent you can take in.

Take a look around

When you're deciding how much to charge, always look at what other landlords in your area are charging for similar sized properties with similar features. Popular property websites like Zoopla and Rightmove are good places to start, and you can get up-to-date information from the HomeLet Rental Index.

Ask a letting agent

It's also a good idea to ask a letting agent. These people are in the know when it comes to rental values and so are ideally placed to provide you with accurate information and advice.

Take steps to protect yourself

The majority of tenants pay their rent on time and take good care of the properties they live in, but unfortunately there are some who cause problems. From getting behind with their bills, to damaging furniture and fittings, to being nuisance neighbours, they can be a real headache for landlords.

There are steps you can take to avoid these issues though.

Use a professional tenant referencing service

Investing in property is a significant financial commitment and selecting the right tenants for the property is an important decision. Professional [tenant referencing](#) services are designed to meticulously assess an individual's history in terms of their employment, how they've conducted previous tenancies and their finances. This is to help ensure that your prospective tenants are in a strong position to maintain rent payments for the duration of their contract and allow you to make a more informed decision about the tenancy. An investment in quality checks before you let the property can make all the difference to the success of the tenancy.

Have a written tenancy agreement

Tenancy agreements set out the rights and responsibilities of both landlords and tenants. By signing one of these documents with your tenants, you can ensure that both parties understand what they can and can't do. This can help to avoid confusion further down the line.

Conduct regular inspections

Arranging [regular inspections](#) of your property (making sure that you give your tenants plenty of notice) should help you to spot any problems before they escalate. For example, if you notice that there's too much condensation in the bathroom, you could remind your tenants to open the window for a short period of time every day to stop mould from growing.

You can also look out for signs of damage that show your tenants may not be treating the property well. Identifying these issues sooner rather than later can save you major hassle, stress and expense in the long term.

Get suitable landlords insurance

There are risks associated with being a landlord. From an unexpected loss of rental income to damage being done to your property or possessions, you could experience a variety of problems. By taking out the right financial cover, you can ensure that even if the worst does happen, you won't be left counting the cost. As well as buildings and content insurance, landlord insurance can include emergency assistance cover and legal expenses protection.

Consider rent guarantee insurance

Even the most conscientious of tenants can sometimes become unable to pay their rent. In many cases a change in circumstances that are outside a tenant's control can impact on their ability to pay the rent. As a landlord, any missed rental payments could impact your income or risk your ability to make mortgage payments for your buy-to-let investment. Typically rent guarantee insurance covers unpaid rent while your tenants are still in the property, the cover for the cost of repossessing the property and an element of cover whilst the property is still unoccupied, after vacant possession has been obtained.

• Starting out as a landlord - in brief:

- Ensure you know the law
- Be shrewd when setting your rent
- Take steps to protect yourself from the risks connected to being a landlord



<https://www.pattinson.co.uk/news/how-to-choose-the-perfect-rental-property-what-tenants-need-to-consider>

<https://www.citizensadvice.org.uk/consumer/energy/energy-supply/moving-home-your-energy-supply/moving-home-dealing-with-your-energy-supply/>

https://www.thetenantsvoice.co.uk/advice_from_us/tenancy-inventory-check/

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<https://university.which.co.uk/advice/student-accommodation/how-to-pick-the-right-student-accommodation-for-you>

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