

Landlords: Choose Your Tenants Wisely

You wouldn't allow a stranger to set up home in your spare room, so why treat your rental property any differently? A buy-to-let property is an investment which you need to protect, so think carefully before giving tenants the keys to your property.

Nov. 8, 2012 - [PRLog](#) -- Consider Using a Reputable Lettings Agent

The advantage of using a lettings agent is that they are likely to have been in the game a lot longer than you and to have a much wider experience of dealing with tenants and tenancy law. A good lettings agent will be registered with the Property Ombudsman, and is therefore bound to follow good practice in the course of letting properties to tenants, so if in doubt, check whether your Agent is affiliated or not.

When you meet with a potential agent, make sure they explain their processes thoroughly to you, including how the vet tenants, the Moving In process and how much money the agency takes as a damage deposit from the tenants. All these factors can influence whether or not you choose to use their business.

A bonus factor is that your lettings agent can take care of all the paperwork for you too, ensuring that the tenancy agreement is legally binding and taking the stress out of the administration for you.

Secure Good References

It might sound like common sense, but make sure that you (or your agent) get your potential tenants referenced accurately.

Agents will often use professional referencing companies, which undertake checks such as credit reports, previous landlord references and employment references. If you secure a report like this on each potential tenant, then you can feel far more certain that they will pay their rent and look after your property. Search the internet for the names of large referencing companies or speak to a lettings agent.

Sometimes your potential tenants will be in a situation where they cannot be approved by a conventional reference check - they may be students with no employment history, or they might have moved to the country from abroad. Don't discount such tenants altogether; students and people travelling on business provide two of the biggest sectors of people coming into cities to rent. Always ensure that such tenants can either offer a Guarantor - a person working full-time who is willing to put their name on the tenancy agreement and be liable for rent if your tenants default - or another option can be to ask tenants to pay a few months' rent upfront, guaranteeing that you will receive a rental income from them. In the second scenario, always try to secure a credit check and/or landlord reference check as well as taking rent in advance.

Don't Just Accept Anyone

Picture the scenario: your property has been on the rentals market for a few weeks, there is no sign of a new tenant yet and your next mortgage payment is due. Suddenly, a tenant appears from nowhere and is eager to move into the property ASAP. But don't be tempted to scrimp on the background checks or to offer large discounts on rent or deposits just to get a tenant into the property! It may be the case that the fast cash will help you out in the short term, but you will be in trouble if your tenant does a runner mid-tenancy and stops paying, or if extensive damage is caused to your property which leads to pricey repairs.

That said, don't be scared of making a deal with a tenant. Sometimes a great tenant just needs a small

reduction in the rental price in order to convince them to take on the property. Be wary - but be reasonable, too. If your property has been standing empty for a few weeks, then ask yourself why. The current rental market is buoyant, so if your property isn't shifting, maybe it needs a lick of paint or simply a good clean and your ideal tenant could be just around the corner.

All tenants should expect to pay a deposit to guard against damage at the property. In the past, the norm has often been for the sum of one month's rent to be taken. But in these days of rising costs, you or your agent might want to think about taking a slightly larger amount in deposit just to give you peace of mind.

Don't imagine, however, that this deposit can be used and abused to cover all minor scrapes and scratches at the property - you have to expect fair wear and tear, and the deposit is there really to cover any accidental damage or malicious damage that is caused due to misuse of the property and its fixtures and fittings. Tenants' deposits must be held under one of three Tenancy Deposit Schemes by law in order to protect tenants, landlords and agents, and in case of a dispute, it is these government-backed companies which will step into resolve the issue. Ideally, you want the deposit to act merely as a safeguard, and if the property is well looked after, the tenants should receive all, or most, of their deposit back at the end of the term.

Uphold Your Side of the Bargain

The landlord-tenant relationship works both ways. Look after your property for your tenants - fix any problems that arise which aren't the tenants' fault and answer their queries promptly - and they are much more likely to take care of your place.

Julie Twist Properties (<http://www.julietwist.co.uk/>) has rented and sold property in Manchester City Centre for the past 20 years, and is a leader in the market. Julie won Estate Agency of the year in 2005 and has been on the judging panel in London ever since. Apartments in Manchester City Centre are her passion.

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