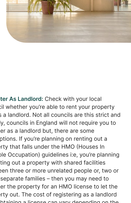
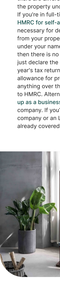
The Ultimate Landlord's Checklist



Everything You Need To Know Before Becoming A Landlord

Here is our fantastic short guide from Flex Living for all the steps and checks you should be aware of before you let a property to your tenant! Simply follow each of these steps to become the ultimate landlord!



- **Register As Landlord:** Check with your local council whether you're able to rent your property out as a landlord. Not all councils are this strict and usually, councils in England will not require you to register as a landlord but, there are some exemptions. If you're planning on renting out a property that falls under the HMO (Houses In Multiple Occupation) guidelines i.e, you're planning on letting out a property with shared facilities between three or more unrelated people or, two or more separate families – then you may need to register the property for an HMO license to let the property out. The cost of registering as a landlord and obtaining a license can vary depending on the property's location and when you apply. Failing to register as a landlord can incur pretty severe legal ramifications as well so make sure you check if you need to do it.



- **Set Up For Tax:** It's worth checking what your combined annual income from both your salary and rent from your property is likely to be as there are different tax implications for registering the property under your name or, your company's! If you're in full-time employment, registering with HMRC for self-assessment will be absolutely necessary for declaring the income you receive from your property if you decide to let it out under your name. If you're already self-employed then there is no need to register again, you can just declare the additional income with each year's tax return. Your annual tax-free trading allowance for property income is £1000, with anything over that amount needing to be declared to HMRC. Alternatively, it may be worth setting up as a business to register the property under a company. If you're already set up as a limited company or an LLP, you will most likely have already covered this point with your accountant!



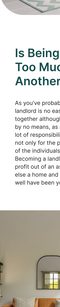
- **Check With Your Lender:** If the property you wish to let out has a mortgage, then you should check with your bank or lender to see whether or not you're able to let your property out. This is known as consent to let. If you purchased the property with a residential mortgage, you will find that letting the property out, may break the terms of your mortgage agreement. You will then have to see if you can switch your mortgage to a buy-to-let scheme (if you're able to) to let out your property. Finally, if you have recently purchased your first property using the help-to-buy scheme, you won't be able to let the property out. Even if you have lived in your help-to-buy home for a number of years, you will still need to speak to your mortgage provider to see if you can let your property out.



- **Check Your Lease Allows You To Let Your Property:** In addition to your bank or lender, you may also find yourself having to check whether or not you can let your property if you live in either a shared block of apartments or, lease a property from another party. Instances like this are rare but, it still pays to check, especially if you're planning on letting out a property as a HMO. Even if you own the freehold to your property, it still pays to check what your deeds say just incase anything you might want to change at the property or if you opt for a certain before you let it, isn't allowed!



- **Check Your Property Certificates:** You must make sure all relevant property certificates are up to date before a new tenant moves in. The key certificates to include are your Gas and Electrical (ECIR) safety certificates and your property's Energy Performance Certificate (EPC). These documents have to be included in the handover at the property and if they aren't correct, the consequences can be harsh. Incorrect certificates can result in a voided tenancy agreement or, you can end up granting your tenant the right to stay in the property a lot longer than you might have intended and be subject to heavy fines. If you require having your property's certificates updated or renewed, look no further than My Constructor, for the very best and quickest issuing or re-issuing of certificates for your property.



- **Takeout Landlords Insurance:** If you're planning on becoming a landlord, make sure you're fully covered before you move in a tenant and this means, taking out Landlord's Insurance. If you're a landlord with a residential mortgage then your mortgage lenders might not let you rent your property at all but, almost no mortgage lender will let you become a landlord without taking out Landlords insurance. Additionally, contents insurance is vital if you plan to let out your property furnished or, if you own the whole building, you will want to consider taking out building insurance just in case of any accidents causing major damage. It's also advisable to take out insurance if you're moving in more than one individual tenant into your property as you don't want to risk property damage.

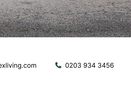




- **Performing Credit & Background Checks As A Landlord:** You have to choose as a landlord between letting an agent takeover the tenant selection and vetting process for you or, doing this yourself, although an agent will charge you a fee! If you prefer to do this yourself, using platforms like OpenRent is a good place to start. The best areas to focus on for a potential tenant are their income and whether their personality and background make them suitable tenants for the property. You can use the National Landlords Association to perform all necessary references and background checks, with anything from previous landlords, to a current employer.



- **Set Up A Tenancy Agreement:** Before you put the agreement together, you should take time to review certain particulars that will or could be included in the agreement. The contract length must be included, as should any notice period or break clause in the agreement. The rent must be included and you'll have to decide who will shoulder responsibility for certain aspects of upkeep, as well as any bills that will or will not be included (such as internet if Wi-Fi is already installed at the property) and, where notices from the tenant must be sent to (very important in incase of disputes). Make sure you have all the necessary information and details from your tenant before the agreement is drawn up. You can familiarise yourself with the layout by downloading a template for a tenancy agreement.



- **Protect Your Tenant's Deposit:** You must place your tenant's deposit in an insured protection scheme within 30 days of receiving it. A deposit protection scheme (DPS) is a secure payment holding service to make sure the deposit your tenant gives you before moving into your property is protected but, you can also insure the tenant's deposit by yourself as a landlord and, keep the money in your own bank account instead. Failure to insure or, place your tenant's deposit into a scheme now within 30 days after a tenancy agreement is signed, can result in fines of up to three times the deposit sum being paid back to the tenant. On top of this, tenancy agreements can be invalidated by failing to properly protect a deposit, granting your tenants extended lengths of stay that you might not have wanted!

- **Carry Out A Property Inventory:** Carrying out a property inventory before your tenant moves in is critical. You need to not only check the condition of the property and account for everything from knives and forks, down to lightbulbs and cupboard doors but crucially, the condition of the floors, ceilings, walls, plumbing and absolutely everything vital to the integrity of the living space. This includes reading for any electrical or gas meters in the property, as well as providing up-to-date copies of gas and electrical safety certificates and your EPC certificate for the property. Inventories are important folks so make sure you've got yours sorted. However, we understand they can be painful to put together which is why we would recommend using a specialist, such as Storm Inventories.

- **Ensure A Good Handover:** After the tenancy agreement is signed and you've received your deposit and the first month of rent, got all your property cleaning, maintenance and inventory out of the way, it's time to welcome your tenants! Make sure you have all keys for the property ready to hand over and walk your tenant through living at the property - from which bins are theirs to how the boiler works! It is important to include the starting meter readings in the inventory for your tenant so they can see how much the usage and cost of energy at the property is and who their suppliers are before they move in. You can and should, go through all of this and the tenancy agreement with your tenants the day they move in, just to re-confirm they've understood what their responsibilities are now they've moved into your property.

Is Being A Landlord Too Much For You? Try Another Way

As you've probably now realised, becoming a landlord is no easy task and the guide we've put together although covering the necessary steps is by no means, as simple and clear as it sounds. A lot of responsibility now rests on your shoulders, not only for the property you own but, for the lives of the individuals who are renting it from you. Becoming a landlord is not just about making a profit out of an asset, it's about giving someone else a home and turning over something that may well have been your home to a new custodian.

There are, many, many things to consider before becoming a landlord, on top of countless stresses and challenges to face along the way. If this all feels like a bit too much for you but, you've still got a property that you think you could be getting more out of and don't have the time to do everything you've just read through, then why not trust it to someone else

At Flex Living, we're committed to offering landlords only the most exceptional property management, ensuring that your property realises its full potential and creates both a decent source of additional income for yourself, as well as becoming a fantastic home for someone else.

If you're renting out a property for the first time and you'd like to see if it can be managed better by someone else, then why not get in touch with us today and see whether or not we can offer you the solution to your property management headache that you've been looking for!

Our Team