LANDLORD FAQs

1. <u>I have inherited a property and want to rent it out – but I have never rented out a</u> property before and have no idea where to start – what do I need to do?

This step by step landlord checklist will guide you through the steps you need to take to rent out your property. There are numerous legislative requirements you need to get right, as well as several useful best practice procedures to make life easier for you and your future tenants.

If you are unsure of any of the information, you can seek clarification from our private landlord support officer; laura.fairlie@dundeecity.gov.uk, 07496685928 / 01382 433236.

Our Empty Homes Officer may also be able to help.

2. What kind of tenancy agreement should I use?

On 1 December 2017 a new type of tenancy will come into force, called the Private Residential Tenancy, this will replace assured and short assured tenancy agreements for all <u>new</u> tenancies.

To find out more information about the new tenancy please use the following links: <u>https://rentingscotland.org/articles/new-private-residential-tenancy</u> <u>https://beta.gov.scot/publications/private-residential-tenancies-landlords-guide/</u>

Here is a direct link to an explanatory video and also the website you can use to create a Scottish Government Model Tenancy Agreement:

https://youtu.be/SCCPXaD88Ro https://www.mygov.scot/tenancy-agreement-scotland/

3. What information / documentation do I need to give my tenants?

When you advertise the property, you must include the Energy Performance Rating Certificate and your landlord registration number.

By the time the tenancy begins, you must provide the following documents: Tenancy agreement, Easy Read Guidance Notes, Gas Safety Certificate (if applicable, e.g. if you have a gas boiler).

Prior to moving in, make sure all relevant certificates such as Gas Safety, EPC, EICR checks are photocopied and in the property for the tenant to inspect. A detailed inventory should also be provided.

Ensure you have furnished the tenant(s) with up to date contact details for you in case of an emergency and ensure they know how to turn off the water and electricity supply in case of an emergency.

You must also provide your tenants with details of the tenancy deposit scheme you will be lodging their deposit in.

Our Landlord Checklist may help you keep on track.

4. How do I know what standard I need to have the property updated to?

A landlord in the private rented sector has a duty to ensure that the house they rent out meets the "repairing standard". If a tenant or third party (for the time being a Local Authority) believes that a rented house does not meet that standard, an application can be made to the First-tier Tribunal for Scotland (Housing and Property Chamber) on whether or not the landlord has complied with that duty. The Committee can then order the landlord to carry out the necessary repairs. Various enforcement powers apply if the landlord then does not do so. The Repairing Standard is a basic level of repair which all private rented accommodation must reach, see full details <u>HERE</u>.

5. <u>My tenant has rented from me for a long time, and has been a good tenant overall.</u> <u>However, they have recently lost their job and are now behind with their rent – I don't</u> <u>want to have to start eviction proceedings but I cannot afford for their arrears to</u> <u>build up – what can I do to help?</u>

There are numerous advice agencies across the city that can help your tenant to go through their income and expenditure, and help to apply for any benefits that they may be entitled to such as Local Housing Allowance. Advise your tenants they should contact welfare rights on 01382 431167, or contact your Private Landlord Support Officer for further guidance.

6. <u>My tenant is habitually late with paying their rent and sometimes does not pay at all –</u> they are quite vulnerable and I don't think they can manage their money – how can I get their LHA paid directly to me?

You can ask the Revenues Department to make direct payments to you. There is no specific form for this, just write a letter including the address / tenant info and claim number if known, detailing the situation and a rent statement illustrating the arrears and requesting payment is made direct to you. Further information is available <u>HERE</u>.

"Under the LHA scheme a tenant can no longer simply ask their council to pay their Housing Benefit to a landlord to cover their rent. The Department for Work and Pensions have given councils guidance on when it is best to make direct payments to a landlord. For example when a tenant can't pay, won't pay or if a tenant owes eight or more weeks rent."

**Benefit recipients are now transitioning over to Universal Credit. This means that for new claims the DWP rather than the Local Authority will be administering their housing costs. However, landlords can still request direct payments where necessary:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/607851/pers_onal-budgeting-support-and-alternative-payment-arrangements.pdf

Landlords will also be able to apply to recoup rent arrears direct from the UC payment: Arrears of rent and service charges for the property the tenant is currently living in are included in the list of deductions that can be made from a Universal Credit payment. If your tenant has accrued rent arrears to the value of two month's rent or more, you can request a third party deduction to recover the rent arrears using the <u>Request for a Managed</u> <u>Payment or Rent Arrears Deduction from</u>.

The maximum rate at which deductions for rent arrears can be made is 20% of the Universal Credit standard amount.

The rate used will depend on the claimant's circumstances. Only the claimant can request a change to the percentage rate by contacting Universal Credit. **A key point here is the arrears can be deducted from the UC claim when it is an ONGOING tenancy - so tenancy sustainment is important here**

https://www.gov.uk/government/publications/universal-credit-landlord-request-for-amanaged-payment-or-rent-arrears-deduction

7. <u>I have heard that one of my tenants is causing distress in their neighbourhood due</u> to anti-social behaviour – what are my duties regarding this?

Steps landlords can take include:

- > investigating complaints about the tenants' behaviour
- writing to the tenants to explain that their behaviour is causing concern and asking them to modify it
- giving advice on noise reduction
- > asking the council to apply for an ASBO for the tenants
- > going to court to get an interdict to prevent the tenants behaving in a certain way
- threatening to evict the tenants.

If you fail to try and stop the anti-social behaviour of your tenants, you may be subject to penalties as per the info contained here - Landlords ASB responsibilities. You can also get free advice by calling the Antisocial Behaviour Team Available 24 hours a day – 7 days a week.

8. <u>I need my property back – how can I evict my tenants?</u>

There are a few reasons why a landlord would want to bring a tenancy to an end:

- > To create a new tenancy with new conditions, such as an increase in rent
- > To get possession of the property back from the tenants at the end of the tenancy
- The tenants have broken a term of the lease (such as not paying rent) and you want the property back.

All of these require you to serve the correct notices at the correct time in order to follow the correct procedures, and you might even need to go to court to complete the process.

Have a look at: <u>Renting Scotland Guidance</u> for more details or contact your Private Landlord Support Officer.

9. <u>What is a Section 11 Notice?</u>

Section 11 of the Homelessness etc. (Scotland) Act 2003 gives local authorities early notice of households at risk of homelessness due to eviction. It places a duty on landlords to notify the relevant local authority when they raise proceedings for possession or serve certain other notices.

The purpose of the notification is to enable early intervention by local authorities for those households who may be at risk of becoming homeless due to action being taken to evict.

Full details are available <u>HERE</u>.

*Illegal eviction is a criminal offence, so it is imperative that you follow the correct procedures and provide adequate notice. Failure to do so may also affect your fitness to continue to be a registered landlord.

10. What do I need to do with my tenant's deposits?

All landlords who receive a deposit, and who must register in the local council's register of landlords, must comply with the tenancy deposit scheme regulations. You must give the tenant information on the circumstances in which you may withhold your deposit and give the tenant details of the scheme protecting it.

You must give it to an approved deposit scheme to hold in a designated account. You must ensure the deposit remains with an approved scheme until it is due to be repaid after the end of the tenancy. You must only take a maximum of the sum totalling 2 months rent as deposit.

Failure to comply with the regulations could result in a penalty of up to three times the deposit amount.

Three schemes are now operating:

- Letting Protection Service Scotland
- Safedeposits Scotland
- Mydeposits Scotland
- Tenancy Deposit Schemes Scot Gov

11. Do I need to install a CO detector if the property has no gas appliances?

No - The requirement for a CO gas detection system relates to all private rented properties where there is a fixed combustion appliance either in the property or in an inter-connected space (for example, where there is an integral garage) as per this <u>guidance</u>.

It is recognised that in tenement flats with multiple owners, flues may pass through neighbouring properties - this is most likely where there are deteriorating old chimneys but can also occur where gas fires are present. It is not the responsibility of a landlord to install CO detectors in neighbouring properties; however landlords should be aware of any potential risk which could result in gas escaping into other living spaces. If in doubt, landlords should always seek professional advice to ensure.

A CO detection system is not required in an attached out-building or garage where there is no inter-connection with the house e.g. a door. To be clear, if there is no way that CO could reasonably be expected to find a path into the house there is no need for a detector. Full guidance is available <u>HERE</u>.

12. I can't understand the jargon ...what is an EICR, EPC and a PAT test?

EICR or Electrical Installation Condition Report

A new duty to carry out electrical safety inspections came into force on 1 December 2015. There are two parts to the electrical safety inspection:

 an inspection of installations, fixtures and fittings and (2) a record of testing of appliances provided by the landlord. The tenant must be given a copy of the inspection when it is done. A new tenant must be given a copy of the most recent inspection before the tenancy begins. Full details are available here: EICR.

PAT or Portable Appliance Testing

This is the term used to describe the examination of electrical appliances and equipment to ensure they are safe to use. The PAT is a test of any moveable appliances. A PAT is required for appliances provided by the landlord. As above, the EICR should from 01-12-2015 include the PAT, but you should always make sure this has been carried out.

EPC or Energy Performance Certificate

All domestic and commercial buildings in Scotland available to buy or rent must have an EPC produced by a Scottish Government approved organisation. Please note that it is compulsory to obtain an EPC before marketing any property for rent. You must ensure that you have an Energy Performance Certificate that has been issued in the last 10 years. The certificate provides an illustration of the energy efficiency of a building based on standard assertions for occupation and use. The EPC shows the rating range for a building as A-G, with A being the most efficient. The certificate also shows how the rating could be improved if specific improvements were made.

Further information is available HERE.

You can search for a certified EPC Assessor HERE.

You can also check if your property has an EPC already <u>HERE</u>.

I am thinking of instructing Agent to act on behalf, but I am unsure what I should expect.

Hiring an agent can be of great benefit for many landlords. However, it is a big decision and you should do as much research as possible in order to choose the right option for you. Things to consider include:

- The services on offer do you want a let only service or a full property management service?
- Is the cost competitive in the local market?
- How will repairs be dealt with, and how will this be invoiced?
- o Is there a termination clause or a cool off period?

If you are using a Letting Agent, make sure they are working towards the necessary training and qualifications required for their Letting Agent Registration. Agents must have submitted an application by the 30 September 2018.

The Letting Agent Code of Practice sets out the standards all those doing letting agency work must meet. It comes into force on the 31 January 2018.

Although Dundee City Council cannot recommend a particular agent, it may be beneficial to check out our Public Access List of DLA members – these landlords and Letting Agents have applied to become accredited and agree to adhere to our voluntary code of practice.

13. <u>I rent out a flat in a tenement block, but am unsure how to go about getting the other</u> owners in the block to work with me to get the roof repaired.

Our Advice and Liaison Team may be able to help – and you should also do some research on <u>Common Repairs Common Sense</u>, and the new <u>Under One Roof</u> website.

14. <u>I know some of my tenants struggle to adequately heat their home and I am</u> concerned that the lack of ventilation and heat is causing condensation in the flats which may lead to further problems. What can I do?

Your Private Landlord Support Officer will work alongside you and Home Energy Scotland or Dundee Energy Advice Project to determine if your tenants may be eligible for grants or assistance to improve the energy efficiency in their homes if they meet a certain criteria. Contact your PLSO for further information.