A GUIDE TO

Finding a Tenant

LANDLORD KNOWLEDGE

GUIDE TO FINDING A TENANT

All landlords will say that their priority is finding good tenants, that is:

- **tenants that will look after the property well;**
- **that pay their rent on time;**
- **that will settle and become long-term tenants;**
- **that do not cause neighbour nuisance by noise or behaviour.**

Though there are horror stories, there are a lot of good tenants out there, looking for a good property and a landlord they can trust. Following this guide could help you to attract them to your property.

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Type of Tenant

Rental property should always be well presented, but different levels of décor and furniture (if a furnished property) will attract different types of tenants and rental income. Be aware that in some areas, the difference in rent between a furnished and unfurnished property is negligible. If you have refurbished/decorated to a wow-factor standard, charge the rent that is appropriate. Too low a rent will not give the return that your investment deserves and may attract people who have no appreciation of what they are being offered.

Are your properties high-end, in location, decor and facilities, or more run-of-the-mill, more suited to a benefit dependent tenant?

Decide what type of tenant you are looking for and model your rental property accordingly. Are you happy to take the benefit dependent, in which case your rent may be limited to the housing benefit figure; don't believe the benefit dependent who is so eager for your property, they will say they can afford to make-up £20 per week from their benefits; it rarely happens. If they are so certain, ask for the shortfall a couple of months in advance. There is no legal limit to what you can ask for in rent in advance, though there is in deposits, which have to be protected in one of the tenancy deposit protection schemes.

Research the local market and see what sort of properties are most in demand and therefore quick to rent and which achieve the best returns.

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Agents

Many landlords feel the easiest way of finding tenants is through a reputable local agent who will be prepared to take on all the aspects of tenant finding including advertising, viewings, referencing, tenancy agreements, check ins, etc. This will take the work away off your hands, but obviously comes at a price, which is sometimes more than is apparent at first glance.

Don't take the first agent, who seems to have a busy window and offers a good rate for their services. Compare and contrast a couple. Contact your local landlord association; see if they have any recommendations. Do the Agents do follow-up visits, to inspect the property after the tenant has moved in? How often? 2 years down the line, will you be left with a filthy wreck, because no-one from the agency has checked how the tenancy is going? How sharp is their follow-up service if the tenant starts to fall into arrears? Are they easily contactable? If an eviction seems necessary, how much support will they give you, or are you then left on your own?

It is still always advisable to meet prospective tenants yourself if possible before going ahead with a tenancy – it is your investment and you need to feel comfortable that they seem aware of all you would want them to be – for example, that the man next door works nights so is unlikely to complain about noise in the evenings, but will need to sleep during the day. How feasible is this if the tenant has 2 or 3 children?

DIY Letting

Alternatively, a fair amount of money can be saved by managing the property and tenancy yourself.

It is surprising how much interest a prominent notice in the window or on a board can attract. Local advertising has the benefit of being seen by local people, familiar with the area and perhaps more likely to become long-term tenants, than those who blind ring, accept a tenancy and then decide they don't like the area, the proximity to a school and distance from the bus route. There are numerous online letting agents now available who can help you find tenants and even help with referencing, which is a sometimes neglected but nonetheless vital part of finding the right tenant.

Modern life means that nowadays, most tenants-in-waiting consult the internet when looking for a property, so ensure you have the essential online presence. Tenancy agreements and the documents you need can be downloaded for free on this website. Let your current tenants know you have a property available. If they are happy with you, they may well have family or friends who would like to move into your vacancy.

However, the glowing reference should never mean you short-cut the referencing and deposit process. How people behave within the family circle could be very different to how they would behave in your property. If there have been issues with their current landlord, they are unlikely to have their friends know of another side to the matter; they will always be the innocent victim of a callous landlord, in their eyes. Get an independent reference.

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Viewings

If you are conducting viewings yourself, give a very clear time slot to the prospective tenant. If the appointment is for 2.00pm, be prepared to stay at the property until 2.30. Delays can happen and if your viewer advises of a problem, by all means re-arrange it. If you have received no notification of why there is a delay and the viewer does not appear by 2.30, cross him off your list. Courtesy costs nothing and he has lost his chance.

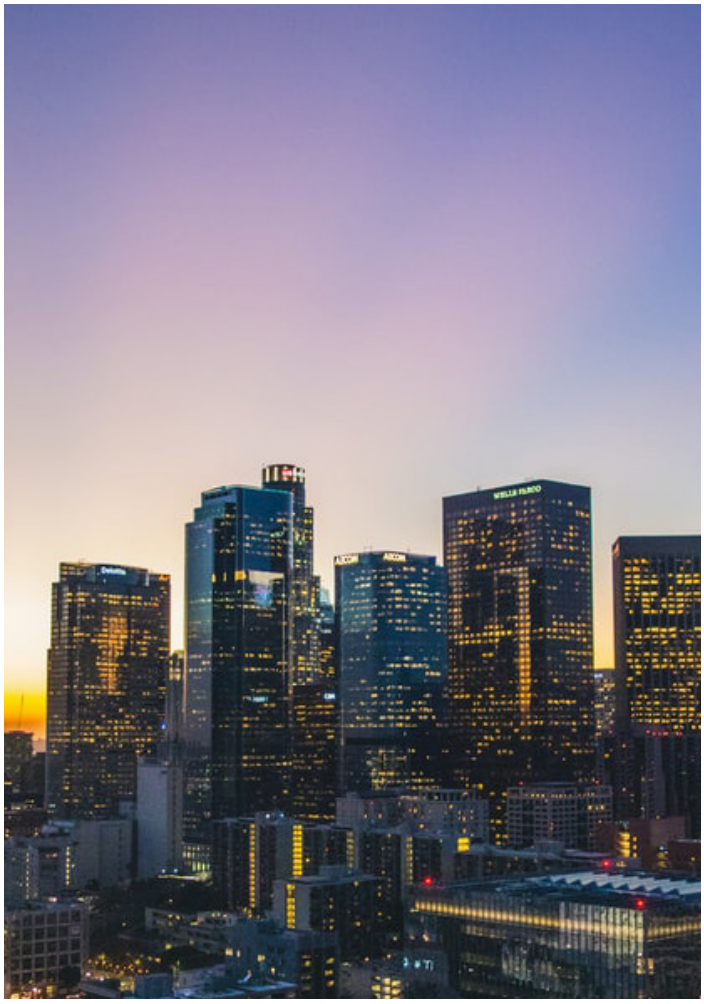
When conducting a viewing, have all the relevant facts to hand. You are selling the property so remember all the positive points. Which Council Tax band is it in? Is the water metered? An important and very positive point if the tenant is a single person or a couple; if it is a family home and the tenant has 5 children, a water meter could add considerably to the bills. Think about the positives of the property and local area. Advise them of refuse collections, local amenities, neighbours, etc.

The prospective tenants needs to sell themselves to you as someone reliable, that you can trust your financial investment to and with whom you can communicate, who will be the tenant you want. Ask the right questions to get an idea of the type of people they are. Ask if they have ever left a property with rent arrears? An honest answer, with an explanation and a payment plan in place, may prove to be a very good tenant for you, but the one who prevaricates, has no intentions of a payment plan and whose debt is revealed through a credit reference check, definitely is not.

Remember that as the landlord you are also selling yourself to the tenants. They need to see that you are are knowledgeable and approachable; this initial interview lays the foundation for the future.

You may wish to appear warm and friendly, but never forget this is business. They need to know from the start that you are a professional landlord and you expect them to abide by the terms of the tenancy agreement – especially to pay rent on time!

A final point: see if you can undertake part of the interview at the home they live in currently. If they are currently in a tenancy, a short visit to that property can say as much as 1000 words. It doesn't have to be immaculate, but it shouldn't look more than lived in. Does it smell? Is the carpet badly stained? Any children's writing on the wall? These are indicators that they may live in the same manner in your property.



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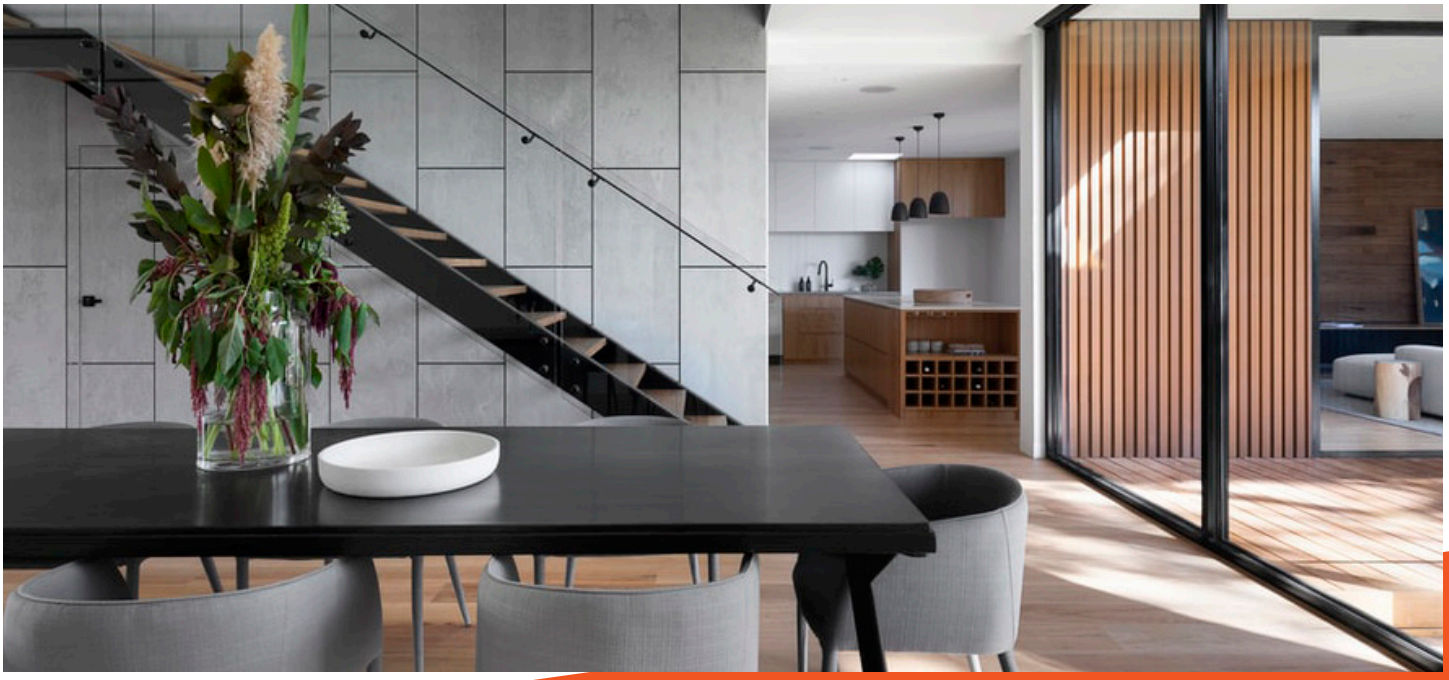
References

Once you decide to go ahead with a tenant/tenants, always get references from previous landlords. Never forget that some landlords may be intimidated by their tenants so do as they are asked, others would rather give a good reference to a bad tenant to get him out of his property. Try asking the landlord before last for a reference – he has nothing to gain by giving an unmerited good reference. A reference from the current employer could indicate whether he is someone who is settled in the area and therefore less likely to leave without notice. It is also worth checking their credit score, as that will show any County Court Judgements.

The Immigration Act of 2014 introduced the Right to Rent, with the intention of making a fairer and more effective immigration system; to do so, it gave the responsibility for checking immigration status to the private landlord. There is a duty you to check that anyone approaching you for a tenancy has the right to reside in the UK and rent your property, sometimes complicate by language difficulties.

Efforts to give tenants greater status and more secure tenancies has recently made the 6-month tenancy quite an out-mode concept. When tenants decide to stay in the property, whatever the terms of the tenancy agreement, the minimum 6 months tenancy could turn into something much longer.

Take your time to get the best tenants possible. If in doubt, leave the one you're not sure of, out. Void periods are financially challenging and could leave a property at risk, but that is nothing compared to the costs and heartache of a bad tenant.



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