

Effective Tenancy Management

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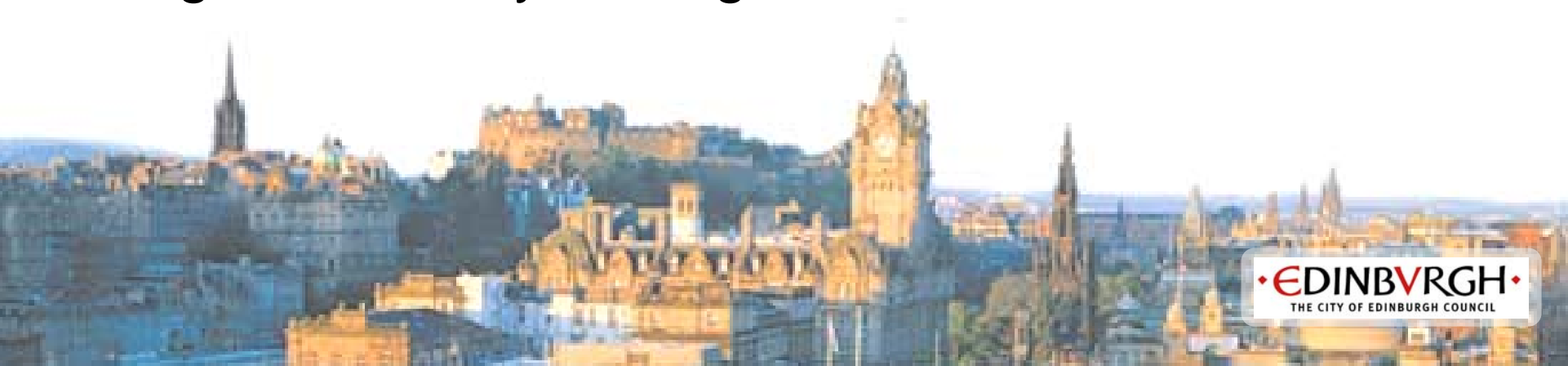
letwise

help and advice for Edinburgh's private tenants and landlords

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Introduction

- Who are Letwise?
- What is tenancy management?
- Why is tenancy management so important?
- What are the common problems and how can they be avoided?
- What can local authorities do to encourage good tenancy management?



Letwise

- Established in early 2005
- Rationale of supporting the private rented market rather than simply regulating it
- Advice, information and guidance for private landlords and tenants
- Assisting home seekers into the private rented sector
- Training sessions, Inside Letting Magazine, written resources

What is effective tenancy management?

- Pro-active and responsible actions of a landlord or letting agent
- Meeting and exceeding legal expectations in relation to the property, tenant and neighbours
- Managing the property in such a way as to minimise the impact of the operation of a rental property on the local amenity



Why is tenancy management so important...

To the tenants?

- Habitable accommodation
- Safe accommodation
- Value for money
- Saves time and inconvenience
- Good relationship with neighbours
- Understanding of their rights and responsibilities
- Good relationship with their landlord



Why is tenancy management so important...

To the landlords?

- Comply with legislation
- Protect themselves
- Retain good tenants
- Maintain a good reputation in the market place
- Good relationship with tenants
- Good relationship with neighbours
- Ensure investment is looked after



Why is tenancy management so important...

To the neighbours?

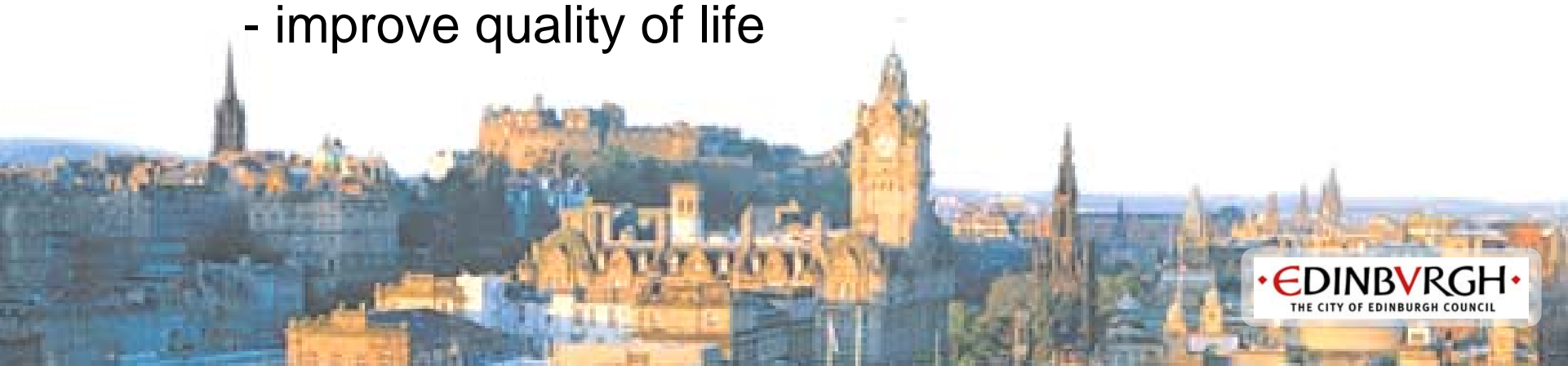
- Assists when dealing with communal repairs and maintenance
- Action from landlord when dealing with anti-social behaviour of tenants
- Sense of community
- Good relationship with tenants and landlords



Why is tenancy management so important...

To the local authority?

- local authorities have a duty to ensure compliance with legislation eg. ASBN, landlord registration, HMO licensing, tolerable standard etc
- Improves the quality of housing in the city
- Improves reputation of the sector
- local authorities require a vibrant and attractive private rented sector
 - greater housing options
 - improve quality of life



Case studies

- Work in 3 groups
- Introductions
- Consider questions raised on sheet
- Feedback



Case study 1 – starting a tenancy

- Tim wants to move out and tells his landlord. The landlord suggests that Tim finds a new tenant to replace him. Tim's friend Bob moves into the property and gets the keys and account details of the landlord from Tim. The landlord is on holiday so the boys arrange for Bob to give his deposit to Tim. Bob settles in and starts paying his rent into the landlord's account.



What is the problem?

- Tim may have caused damage to the property yet get his full deposit back.
- Bob has no lease agreement and is not aware of his rights and responsibilities.
- Bob is a statutory assured tenant it may be difficult for the landlord to regain possession of the property.
- Bob has no inventory and it may be difficult to reach an agreement when it comes to returning the deposit.



What should the landlord have done?

- Arranged an exit inspection with Tim, recording any problems and returning the deposit accordingly
- Checked Bob's references
- Issued Bob with a lease agreement
- Taken a new deposit from Bob following a new inventory



In addition - At the start of the tenancy

- Landlord Registration
- Property requirements – wind and watertight, fit for human habitation, fixtures and fittings operational
- Safety – gas certificate, electrical certificates, safe furnishings, smoke detection
- Repairing Standard inspection
- Mortgage, inland revenue
- Licensing
- Conducting viewings, taking references, ensuring that tenant understands agreement
- Provide contact details
- Inventory
- Taking deposit
- Tenant information pack

Case study 2 – during a tenancy

- Gemma and Amy have recently moved into the flat and have enjoyed several parties. They sometimes stay out late and arrive back at the flat in the early hours of the morning, they bang doors, shout and play music. They also leave their rubbish in the stair and chain their bikes to the railings on the landing. The landlord has received several complaints from the neighbours.



What should the landlord do?

- Send a response letter to the neighbour that complained
- Arrange a visit to the tenants – giving 24 hours written notice, detail the behaviour that must stop.
- Send a follow up letter detailing outcome of meeting, keep a record of this
- Let the complainant know your actions.
- If problems persist landlord would be expected to end the tenancy.



In addition – during a tenancy

- Dealing with neighbour complaints effectively
- Responding to repair problems
- Carrying out property inspections
- Dealing with tenants in rent arrears
- Providing written notice prior to accessing the property.



Case study 3 – Ending a tenancy

- Tenant Celia goes on holiday to Australia for 4 weeks. When she returns she cannot get back into her rental property. She couldn't contact the landlord and therefore called the Police who arrived at the scene and found that new tenants had moved into the property. Celia's possessions had all been disposed of including all her personal effects. Celia decides to sue the landlord for damages.



How could this have been avoided?

- Celia's lease may have required that she make the landlord aware that she would be away from the property for so long.
- Landlord should not have reclaimed the property without going through the correct legal procedure.
- Landlord should be able to prove that he had made a substantial effort to contact Celia.
- Put belongings in storage (unless value is lower than the cost of storage).



In addition - At the end of the tenancy

- Serving the correct notices
- Method of serving notices
- Carrying out an exit inspection
- Timely return of deposit, accounting for any deductions
- Provision of references

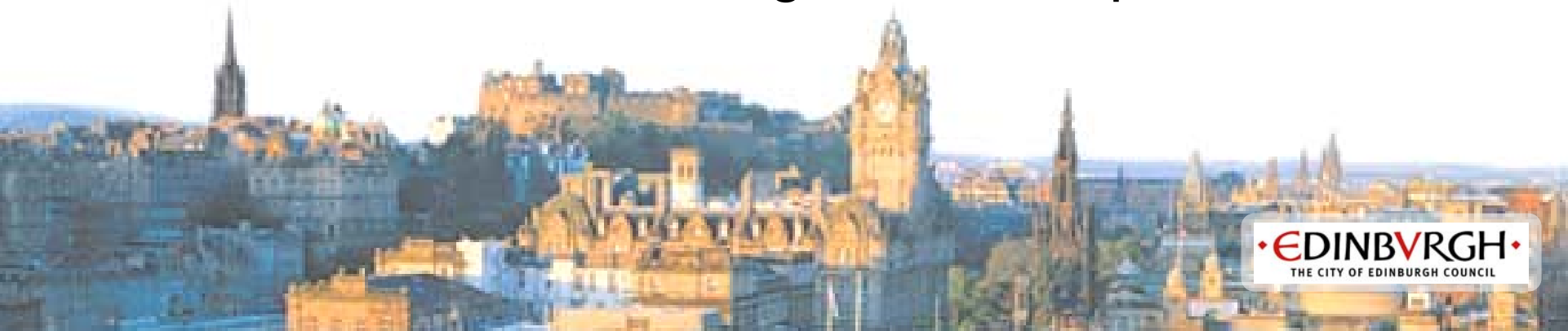


What can local authorities do to encourage effective tenancy management?

- Advice and support for landlords
- Forums, training, resources
- Accreditation schemes
- Inform tenants of their rights and responsibilities
- Ensure auditing of tenancy management for HMO and accreditation schemes.

What can a local authority do about those that do not manage their property effectively?

- Removal from any voluntary schemes
- Refusal of registration
- Rent penalty notices
- Refer tenant to PRHP
- Serve ASBN
- Reports to procurator fiscal if not complying with HMO/ landlord registration requirements



Conclusions

- Landlords who manage their tenancies effectively are likely to encounter less problems
- Tenancy management is important to all stakeholders in the private rented sector
- There are many ways that local authorities can support landlords in managing their tenancies.



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