



**Let by**

Newham London

# Renting out an empty property

[www.newham.gov.uk](http://www.newham.gov.uk)  
020 8430 2000

## Renting out an empty property

### Is it worth it?

A property which could be let out and is lying vacant represents considerable lost income for its owner. Just how much can be earned a month can be seen from looking in letting agents' windows or searching their websites. Any rent can be used to offset costs such as mortgage payments, council tax, repairs and insurance.

For an owner who does not wish to sell a vacant property, letting usually makes good financial sense. However you should always check how rental income will affect your tax and benefits.

### A guaranteed right to get your property back

If you let your property to a tenant the tenancy is normally an assured shorthold tenancy unless you agree otherwise in writing. This means that you are guaranteed to get your property back if you follow the correct procedures. For further details see the Communities and Local Government leaflet *Letting Your Home*, which you can download from [www.communities.gov.uk](http://www.communities.gov.uk)

## Income tax

When you receive rental income you need to submit a self assessment tax return to HM Revenue and Customs (HMRC). Normally the rent that you receive is subject to tax. However you can also claim expenses such as letting agents' fees, accountants and solicitors costs. More information about tax can be obtained from the HMRC website [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

## Permission

Most building societies and banks make it a condition of their loan or mortgage that the property cannot be let out without their permission. If you have a loan or mortgage on the property you should contact your lender before renting it out.

You do not normally need permission from the council if you want to let a flat or house to a family, a single individual or a couple.

The position can be more complicated if you decide to rent to a group of people who are not related or let rooms or parts of the property out to different tenants. Shared houses or flats are referred to as houses in multiple occupation (HMOs). You are advised to contact the council's Private Sector Housing Group or refer to their page on [www.newham.gov.uk](http://www.newham.gov.uk) for details of special rules and requirements that may apply in such cases.

## Insurance

You should contact your insurance company to ensure that you have suitable cover for letting your property out.

## The advantages of using a letting agent

Many owners let their properties privately without using a letting agent. However there are some advantages to using one.

They can:

- market the property
- organise viewing
- get references
- prepare tenancy agreements
- manage the property (optional)
- take care of maintenance (optional).

Agents' fees often range from 10 per cent to 15 per cent depending on whether you require a full management service or not. It pays to contact several agents to compare the level of service provided and the fees charged. You are advised to check that the agent belongs to the Association of Residential Letting Agents (ARLA), the National Association of Estate Agents (NAEA), the Royal Institution of Chartered Surveyors (RICS) or the Property Ombudsman Scheme. You should obtain written confirmation of the services to be provided by an agent and their charges before signing any contract with them.

## Landlord, tenant and agents responsibilities

Below are listed typical responsibilities for owners, agents and tenants. Some are legally binding. The service provided by the agents should be clearly set out in writing in their terms and conditions. The tenants' responsibilities should be detailed in the tenancy agreement.

### Landlord

- repairs
- safety requirements
- insurance
- ground rent

### Tenants

- pay deposit
- pay rent
- pay council tax
- pay water, gas, electricity, telephone, TV, council tax, etc
- return property in reasonable condition

### Agent

- credit references
- employers checks
- previous landlord checks
- tenancy agreement
- deposit
- deposit guarantee scheme
- inventory checks

Landlords have to keep their property in a safe condition which does not present a health risk to their tenants. This is governed by a new housing health and safety rating system (HHSRS). Furniture needs to comply with fire safety regulations and electrical equipment needs to comply with electrical safety regulations. Gas safety checks also need to be carried out once a year. All deposits have to be covered by an approved rent deposit guarantee scheme.

## Make your property attractive to tenants

Try and make your property attractive to tenants. A basic makeover to freshen and clean it up may be all that is necessary. If you're redecorating select neutral colours that don't make the interior look drab. Ensure that any necessary repairs are carried out. If you're letting a property furnished, don't over clutter. Remember that the more attractive your property is the quicker you'll be able to let it at the rent you want.

## How much to charge

You can get a good idea by comparing your property with similar ones being marketed by local letting agents. The Valuation Office Agency sets a local housing allowance for different sized properties in the area. This is used to determine what housing benefit is paid to eligible tenants.

## Leasing to the council or a housing association

It may be possible to lease your property to the council or a housing association who then arrange the tenancies and management of the house or flat. Whether the council or housing associations want to lease properties varies from time to time.

The council requires that properties leased to them are in reasonable repair and have fairly modern facilities. Properties are leased through agents appointed by the council. For contact details consult the council's website.

There are a number of housing associations which operate in Newham. A list of these together with their contact details can be obtained from the Tenant Services Authority's website – [www.tenantservicesauthority.org](http://www.tenantservicesauthority.org).

## Landlord Accreditation Scheme

The Newham Landlord Accreditation Scheme is based on the principle of self certification backed up by investigation of alleged breaches. Accredited landlords receive a certificate and are able to use the logo in their publicity work. Further details of membership benefits can be obtained from the council's website.

## The Bond Scheme

The Bond Scheme is Newham's rent deposit guarantee scheme. A bond certificate is issued to landlords as security deposit against malicious damage to properties by tenants recommended to them by Newham Council.

## Where can I get more information?

There are numerous books giving advice and information on letting properties. Examples of these are: *Renting and Letting* ('Which?' 'Essential Guides') by Kate Faulkner and *Renting out Your Property for Dummies* (UK second edition) by Melanie Bien. Details of many more books can be found on websites such as Amazon and WH Smith.

## On the web

For more information on everything in this leaflet, as well as a comprehensive list of links for useful websites and organisations, please visit the Newham website – [www.newham.gov.uk/housing/privatesectorhousing/emptyproperties](http://www.newham.gov.uk/housing/privatesectorhousing/emptyproperties)



To Let

For more information about empty properties please call the Private Sector Housing Team on 020 3373 1950 or email [envprivate.sectorhousing@newham.gov.uk](mailto:envprivate.sectorhousing@newham.gov.uk)

Alternatively you can visit any of our local service centres at the locations listed below:

**Beckton** 1 Kingsford Way,  
Beckton, E6 5JQ

**Canning Town** 3 Beckton Road,  
Canning Town,  
E16 4DT

**Docklands** 4 Pier Parade, Pier  
Road, North  
Woolwich, E16 2LJ

**East Ham** Town Hall Annexe,  
330-354 Barking  
Road, East Ham,  
E6 2RT

**Forest Gate** 4-20 Woodgrange  
Road, Forest Gate,  
E7 0QH

**Green Street** 403-405 Green  
Street, Upton Park,  
E13 9AU

**Manor Park** 685-689 Romford  
Road, Manor Park,  
E12 5AD

**Stratford** 112-118 The Grove,  
Stratford, E15 1NS