

## Guidance Note for Landlords Letting to Students

*This Guidance is for England and Wales. If you are in Wales, you will grant an occupation contract. Different rules apply in Wales under the Renting Homes (Wales) Act 2016.*

### 1. Introduction

1.1 Owning and letting a property can be a good investment. However, there are many things that landlords and agents need to consider when letting a property to students.

### 2. Houses in multiple occupation (HMO)

2.1 Your property is a house in multiple occupation (HMO) if at least three tenants live there, forming more than one household, and the tenants share kitchen, bathroom or toilet facilities.

2.2 If your property is a house in multiple occupation, you must ensure that:

2.2.1 the landlord's name and contact details are displayed in a prominent position in the property;

2.2.2 proper fire safety measures are in place - there should be smoke detectors in communal areas, and the kitchen must have a fire blanket;

2.2.3 the water supply to the property is in good, clean and working condition;

2.2.4 annual gas safety checks are carried out;

2.2.5 electrics are checked every five years;

2.2.6 the property is in good repair;

2.2.7 there are adequate cleaning facilities;

2.2.8 communal areas are clean and in good repair;

2.2.9 there are enough bins for everyone living in the house; and

2.2.10 the occupiers are aware of their duties as occupiers of HMOs.

2.3 The environmental health officer of the local authority will enforce these rules. They can carry out inspections and prosecute landlords who break the rules.

<sup>1</sup> A household consists of either a single person or a group of people who are married or living together as a family who live together. It includes lodgers and civil partnerships.

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2.4 With effect from 01 October 2018, all licences granted for HMOs in England must include conditions to ensure that rooms used as sleeping accommodation have a minimum floor area (for further details see our **Guidance Note: Licensing of Houses in Multiple Occupation (HMOs) in England**). Failure to comply with these conditions may result in a local authority imposing an unlimited fine. Local authorities may choose to prosecute as an alternative to prosecution.

2.5 Some HMOs must be licensed from 01 October 2018 in England, licensing is mandatory for all HMOs consisting of two or more households.

2.6 Additional licensing may be required for other types of HMOs. The council will determine whether a significant proportion of these HMOs are being licensed.

2.7 Selective licensing allows a local housing authority has the power to designate the whole or part of an area as subject to selective licensing of private rented properties. Properties licensed under selective licensing are exempt from the HMO licensing regime. This is to address problems caused by low quality housing and antisocial behaviour.

2.8 Licensing is dealt with by local authorities. An application form will need to be completed and a fee paid. An inspection will be carried out to assess the suitability of the property and the management. Each local authority has different rules. Licences usually last for 5 years but some local authorities have shorter periods. Licences are non-transferable.

2.9 More information about licensing can be found from your local authority. Please also see our **Guidance Note: Houses in Multiple Occupation (HMOs) in England** in the **Guidance Notes: Houses in Multiple Occupation and Rented Property Licences**.

### 3. Joint tenancies

3.1 Sometimes, a tenancy is granted to a single tenant. This might be the case if the property is a small flat. More often, a number of tenants sign up to a tenancy. This means that they are "joint tenants".

3.2 Joint tenants have joint liability, which means that any one tenant can be required to pay (and any other costs) on behalf of all the tenants.

### 4. Change of tenants

4.1 Most student tenancies are for a fixed term, e.g. 9 months or 12 months. Usually, the tenancy agreement will allow for permit assignment, i.e. a transfer of the tenancy to a new tenant.

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4.2 Some circumstances change unexpectedly and one of the students may leave the property. This might happen, for example, if the student's course of study changes.

4.3 The landlord should allow a replacement tenant to step into the shoes of the original tenant. This can be documented in one of two ways.

4.4 The landlord can require existing tenants to surrender their tenancy to the landlord. The landlord can then grant a new tenancy agreement to the new tenant. If there are parental guarantees, these will need to be renewed for the old tenancy and will not relate to the new tenancy.

4.5 The landlord can require the current group of tenants to assign the tenancy agreement to a new group of tenants, with the landlord's consent. This way, the tenancy agreement can stay in place. The landlord can release the outgoing tenant and require an additional guarantee from the new tenant's parents.

4.6 What if a tenant wants to leave the outgoing tenant to assign his or her "share" of the tenancy to a new tenant. A tenancy agreement cannot be "severed" in this way.

4.7 We have provided forms for surrenders, assignments, new tenancies, and parental guarantees.

## 5. Parental Guarantees

5.1 Landlords often require students' parents to guarantee performance by the student. Parents are required to pay rent and observe the other terms of the tenancy agreement because students generally have few assets of their own to guarantee the cost of renting a property.

5.2 A parental guarantee should be given before the tenancy agreement is entered into. A copy of the tenancy agreement should be attached to the guarantee to show what the guarantor is agreeing to.

5.3 If there are multiple guarantors, each guarantor will in effect be guaranteeing the performance of all the students, not just their own child.