

https://www.housingrights.org.uk/landlords/preparing-rent/tenancy-agreement

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Tenancy agreement

This information is for private landlords.

Landlords and tenants already have certain rights set out in law. A clearly worded tenancy agreement can add to these rights and help to avoid disputes.

You're not legally required to provide a tenancy agreement. But if you do, it should say how long the tenancy will last.

Your tenancy will be either:

- fixed term, or
- periodic

Remember you must give your tenants <u>a tenancy information notice</u>, even if you also give them a tenancy agreement.

Fixed term tenancy

A fixed term tenancy has a clear start date and end date.

If you do not renew a fixed term tenancy by signing another tenancy agreement, and your tenant stays in the property, it becomes a periodic tenancy.

Periodic tenancy

A periodic tenancy does not have a set end date.

It will continue until either you or your tenant follow the correct process to end the tenancy.

Some tenancy agreements may be fixed for a specific period and then become periodic. This is sometimes referred to as a 'rolling' tenancy or being 'out of contract'. The original terms of the tenancy still apply even if it is now a periodic tenancy.

If your tenancy agreement does not mention a specific length or term, the law says the default term is six months. After this time, the tenancy is periodic.

Unfair terms

Your tenancy agreement must be fair and in line with the <u>Consumer Rights Act</u> <u>2015</u>. If you issued a tenancy agreement before October 2015, it must follow earlier legislation.

A tenancy agreement is unfair if it:

- creates an imbalance between the rights and responsibilities of landlord and tenant, and
- this puts the tenant at a disadvantage

An unfair term is not enforceable and you cannot rely on it to take legal action.

Examples of unfair terms include terms which:

- take away the tenant's basic rights
- impose excessive charges for late or unpaid rent
- make the tenant pay or be responsible for repairs that are your responsibility
- allow you to decide if the tenant is in breach of the agreement
- oblige the tenant to leave the property in a better condition than when they moved in
- lets you access the property without giving reasonable notice

Default terms and obligations

If you do not have a tenancy agreement or your contract is not very detailed, the law automatically applies certain terms to the tenancy. These are known as 'default terms.'

Unless the tenancy agreement says otherwise, the tenant must:

- ensure rent and rates are paid
- keep the premises in good condition
- vacate the property at the end of the lease

Unless the tenancy agreement says otherwise, the landlord must:

- not stop the tenant from living in and enjoying the property
- ensure that a furnished property is habitable
- maintain the property
- charge fair and reasonable fees for services

If you add terms to your agreement that contradict a default term, the tenancy agreement takes legal precedence. You cannot add clauses that limit or take away your tenant's basic rights.

Essential information

Your tenancy agreement should include the:

- rental property address
- names and contact details for tenant(s), landlord and estate agent
- term of the tenancy (periodic or fixed-term)
- tenancy start and end date
- amount of notice needed to end the tenancy
- rent and rates payable including dates and payment method
- any other payments, such as utility bills
- landlord repair obligations
- deposit amount and what deductions can be made

Additional terms

You should also consider including terms that:

- state your rights to enter the property and the notice you'll give
- explain liability for unpaid rent or damage caused by tenants or their quests

- have a procedure for setting up property viewings at the end of the contract
- prohibit commercial or illegal activity in the property
- outline any restrictions on smoking, keeping pets or sub-letting
- explain what happens if the property becomes uninhabitable

Accessible tenancy agreements

Your tenants must be able to fully understand your tenancy agreement.

Make the agreement easier to understand by:

- using plain English without complicated legal language
- having an audio version for tenants with poor literacy or a visual impairment
- translating the agreement for tenants who read or speak limited English

If you do not make reasonable adjustments for a tenant who has a disability, you may be in breach of <u>disability discrimination law</u>.

You can use the <u>free tenancy agreement template</u> made by the Department for Communities.

Tenancy agreements for joint tenants

When you're renting to more than one tenant, the wording of the tenancy agreement determines who is responsible for rent arrears or damage.

If your agreement states that tenants are 'joint and severally liable', this means you can pursue any of the tenants for unpaid rent or damage.

When renting to a group of tenants, you can draw up either:

- an agreement between you and the group, or
- individual tenancy agreements with each tenant

Group agreements can be tricky if one tenant chooses to end their tenancy.

If one tenant leaves and a new person moves in, you should:

- ask the outgoing and incoming tenants to give up, or 'surrender', the old tenancy
- set up a new joint tenancy with the remaining and incoming tenants

- end the protection on the old deposit
- protect the deposit again with the details of the new tenancy

Individual agreements are easier when a tenant leaves and you need to find a new tenant. You must explain in the tenancy agreement that if one of the group leaves, you have the right to add a new person to the tenancy.

If you add a new person to the tenancy, you must make sure the property doesn't become an unlicensed house in multiple occupation (HMO).

More advice

- Tenancy paperwork
- Setting up a tenancy

Footnotes