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Setting rent

This information is for private landlords. Private tenants can find information and advice [here](#).

Landlords are entitled to receive rent in full and on time. Your [tenancy agreement](#) sets out how and when tenants must pay rent and rates.

Make sure your tenants are clear on these arrangements to avoid problems.

Deciding how much rent to charge

You're free to set rent at the level you choose, unless your property is:

- a [protected tenancy](#), or
- [subject to rent control](#)

When deciding how much rent to charge, you should consider:

- costs such as your mortgage, rates and insurance
- the overall condition of the property and furnishings
- features such as a garden or parking space
- average rent for similar local properties

Some tenants will rely on [Housing Benefit](#) or [Universal Credit](#) to help with rent. As such, they might not be able to afford a higher rent.

You can choose whether to take a tenancy deposit. You cannot ask for more than one month's rent as a deposit.

If you take a deposit, you must:

- give your tenant a receipt (if the deposit is paid in cash)
- [protect the deposit](#) in a deposit protection scheme

Rent in advance

You can ask tenants to pay rent in advance as well as a deposit. Generally, landlords ask for one month's rent in advance.

Talk to your tenants about their ability to pay rent. This is especially important if they are getting Housing Benefit or Universal Credit. These benefits may not cover the entire rent. This is known as a 'shortfall'. It is important to know how the tenant will cover any shortfall.

Remember that [Universal Credit](#) and [Housing Benefit](#) are paid in arrears. Make it clear to your tenants that they will need to pay rent in advance until benefits payments begin.

Getting rent payments right

Talk to your tenants about how rent should be paid. You should consider:

- whether rent will be paid in cash or by bank transfer
- whether benefit payments will go directly to the tenant or you
- how any shortfall between benefits and rent will be made up
- how you will record payments and any arrears

If your tenants pay rent in cash, you must give them a receipt when they make the payment.

Remember that benefits are not always paid at the same interval. Some might be paid every four weeks, and others per calendar month.

Tenants struggling to make up a rent shortfall can apply for [Discretionary Housing Payment \(DHP\)](#).

Remember that excessive fees for late or non-payment of rent could be considered [unfair](#).

Responsibility for rates

[Find out more about rates liability](#) to get payments right from the beginning.

You need to be clear at the outset about who will be responsible for paying rates. [The law says](#) that, unless your tenancy agreement says otherwise, rent includes an amount for rates.

In rented properties, either the landlord or tenant may have to pay rates.

Rates liability depends on:

- what your tenancy agreement says and
- what the law says

[Land & Property Services \(LPS\)](#) is the agency responsible for collecting rates. If rates are not paid, LPS will investigate and pursue the person liable for rates, even after the tenancy has ended.

More advice

- [Universal Credit for landlords](#)
- [Housing Benefit for landlords](#)
- [Taking deposits](#)