Housing Rights

**https://www.housingrights.org.uk/landlords/rent-and-rates/rates-private-tenancies**

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# Rates in private tenancies

This information is for private landlords of properties in Northern Ireland.

If you are a tenant, you can find advice here.

If you are a landlord or letting agent in Northern Ireland seeking advice, you can:

- send a message to Landlord Advice, or
- call 028 90 245 640 (Option 1)

## Rates in private tenancies

Rates are a property tax and most tenants pay rates. Either as part of their rent or as a separate payment directly to Land & Property Services (LPS).

Make it clear from the start of the tenancy who pays rates and how.

You need to give tenants written information about rates in:

- a tenancy information notice, and
- a tenancy agreement

You must also be aware of who is legally responsible for paying rates.

## Legal liability for paying rates

Usually, whoever lives in the property is responsible for paying rates.

But the law says you will be legally liable for paying rates instead of the tenant if your property:

- is a house in multiple occupation (HMO), or
- has a capital value of £150,000 or less.  Many rental properties have a capital value of less than this.

You can check the capital value of your property.

You should be aware of who is legally liable to pay rates. This might be you, or it might be the tenant. This person must make sure LPS are paid for the rates bill each year. LPS will take action against the person legally liable if the rates bill is not paid.

A tenant might be legally liable to pay the rates bill if the capital value is over £150,000. But you will be legally liable for the bill when the property is unoccupied.

Even if you are legally liable to pay rates, you can still charge your tenant for rates. You can do this by making sure the tenancy agreement says they must pay you for rates.

## What your tenancy agreement says about rates

Your tenancy agreement will mean your tenant has to pay you for rates if:

- it says that the rent you charge includes rates, or
- your tenancy agreement states your tenant has to pay you two separate amounts for rent and rates

## Help with rates for tenants

Your tenants are entitled to apply for help with paying rates.

They can get help through:

- Housing Benefit - in the form of Rate Relief, or
- if they get Universal Credit by applying for a Rate Rebate

To get this help, your tenant needs you to confirm that they are liable for rates. For Rate Relief, you or a letting agent can confirm this by filling in a form.

If your tenants get Universal Credit and apply for a Rate Rebate, you have to confirm this online. A letting agent cannot do this for you.

Rate Rebate is paid as a credit on your property's rates account.

If your tenant has a successful Rate Rebate claim, you should:

- (if rent includes rates) reduce the rent payable by the Rate Rebate amount, or
- (if two separate amounts are payable for rent and rates) not require the tenant to pay you for rates anymore

You might also need to refund the tenant for any backdated period the Rate Rebate applies to.

Speak to your tenant about what needs to be paid going forward. Our housing mediation service might be able to help if there is a disagreement.

You might also be due a refund from LPS if the Rate Rebate covers time you have already paid the Rates bill for.

## Discounts on rates bills for landlords

You can get a 10% discount if you pay the rates bill for all your properties by 30 September each year.

If any of your properties have a capital value higher than £150,000, you can still get the discount. But you'll need to sign a voluntary agreement first.

## Paying rates for empty properties

You're responsible for paying rates when there are no tenants living in your property.

You might not have to pay rates if your vacant property:

- does not have anyone living there, and
- is not being used for storage, and
- is unfurnished

Check if you need to pay rates on your empty property.

## More advice

- Setting rent
- Universal Credit for landlords
- Housing Benefit for landlords
- Tenancy agreement