

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. Private tenants can find information and advice here.

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 responsible 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

Even though you are liable for paying rates in these cases, the terms of your tenancy agreement might make the tenant contractually liable for paying rates.

What your tenancy agreement says about rates

Your tenancy agreement will make your tenant liable for paying rates if:

- the rent you charge includes an amount for rates, or
- your tenancy agreement has a term that requires your tenant to pay rates separately

You should be aware of who is legally and contractually responsible for rates. If rates are not paid, <u>Land & Property Services will take action against the person</u> legally liable.

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.

But if your tenants get Universal Credit and apply for a Rate Rebate, you'll need to approve the application online. A letting agent cannot do this on your behalf.

Rate Rebate is paid as a credit on your property's rates account. If the rates are included in the monthly rent you charge, you should speak to your tenant. It may be reasonable to offset the amount of Rate Rebate paid to your property rates account from the monthly rent figure.

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'll need to sign a voluntary agreement to get the discount.

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