

## Setting up a tenancy

This information is for private landlords.

You'll need to think about some practicalities before renting out your property.

### Renting your property as furnished or unfurnished

Decide whether to rent your property with or without furnishings. Make sure your advertising is accurate and reflects what's included with the tenancy.

There are different tax allowances for furnished properties. [Speak to HMRC](#) or an accountant for more information.

#### Furnished properties

Furnished properties often appeal to tenants who are new to renting. There's no legal definition of a 'furnished' property.

Usually renters will expect a furnished property to have:

- a bed and storage for clothes in each bedroom
- a sofa or soft chairs in a living area
- a table and chairs in a dining area
- appliances such as a fridge, cooker and washing machine in the kitchen
- flooring and curtains or blinds in all rooms

All furnishings you provide must meet [legal safety standards](#).

You must repair or replace the items you provide if they break during the tenancy. If the damage is due to neglect or misuse, the tenant will have to pay to fix or replace the item. If the damage is due to normal wear and tear, you'll be responsible for [dealing with repairs](#).

[Complete an inventory](#) before the tenancy starts to record furnishings and their condition.

## Unfurnished properties

Unfurnished, or part-furnished, properties may attract tenants who already have their own furniture and want to rent longer-term.

If you rent an unfurnished property, you should:

- still provide flooring and blinds
- consider charging a lower amount of rent than a furnished property
- make it clear that tenants are responsible for repairing their own furnishings

## Deciding how much rent to charge

You are free to set rent at the level you choose unless your property is:

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

To figure out how much rent to charge, you should consider:

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

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

You can choose whether to take [a tenancy deposit](#). Generally, landlords ask for one month's rent as a deposit.

If you take a deposit, you must:

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

## Sorting out utility bills

You need to decide how to manage utilities, such as electricity and gas, for your property.

You can:

- install prepayment meters
- make tenants responsible for paying bills
- include bills with rent

Whatever option you choose, make it clear in your tenancy agreement who is responsible for utilities.

### Installing prepayment meters in rental properties

Prepayment meters can help you avoid the risk of unpaid bills.

But you cannot use a prepayment meter for fire alarms and emergency lighting in [a house in multiple occupation \(HMO\)](#).

### Making tenants responsible for paying bills

If you choose to make tenants responsible for dealing with utility bills you should:

- contact the supplier to say you're no longer responsible
- take a meter reading on the first and last day of the tenancy

Tenants have the right to change supplier without your permission.

If a supplier tries to pursue you for an unpaid bill you can give them a copy of the tenancy agreement. This will make it clear that you're not responsible for the debt.

### Including bills with rent

While some landlords decide to include bills with rent, this can cause problems as:

- there are rules about [how much you can charge to 're-sell' energy](#)
- you must monitor usage with a meter to charge fairly
- you may have to change the amount of rent if energy prices change

- some tenants may use more energy than you expect

You are not allowed to restrict a tenant's usage as this could be seen as [harassment](#).

## More advice

- [Taking deposits](#)
- [HMO definition](#)
- [Tenancy paperwork](#)

## Footnotes