

A guide to student lets



In the last year, there were over [2.6 million students](#) in higher education across the UK, so there is no question that the student housing market is a great opportunity for private landlords.

However, if you are new to student letting or thinking about taking the plunge, there may be some apprehension about letting to students. The student lifestyle has a reputation that precedes itself! You may think of irresponsible tenants new to living alone, lacking in life experiences and enjoying the nightlife, which could potentially cause troublesome issues and lead to a dispute.

But even those who are learning the ins and outs can keep their homes in good condition and make great tenants. If you get it right, then this market represents a significant investment opportunity.

In this joint guide with the NRLA, we look at common issues around student lets, reveal insight from our student let poll, and detail what landlords need to know about entering the student rental market.

Why rent to students?

Our recent TDS Student poll revealed that 86% of agents and landlords who currently rent to students would continue to do so in the future. Some of the many reasons why are:

- **High demand in university towns and cities** means you'll have no shortage of students looking for accommodation if your property is in the right location. And, with word of mouth, students will undoubtedly recommend a good student home to their peers.
- **Predictability** – Under-grad students will typically rent for 12 months; this means you won't have to wait years should you want to sell or redecorate your property.
- **Imperfections** – when renting to students, your property will need to be in good condition, but it doesn't need to be perfect.
- **A guarantor is often used in student lets** so overdue rent is less risky. And if rent arrears do occur, the guarantor is usually eager to sort out the situation ASAP.
- **Rental yields tend to be higher** - Student properties are often [HMOs](#) and you can earn more rental income by charging rent on a per-room basis.

The pitfalls

According to our recent poll, 88% of landlords have had to make a deposit deduction upon end of tenancy for student tenancies.

The percentage of deposit deduction is substantially higher than average. Still, with comprehensive tenancy agreements, carrying out due diligence and communicating clearly with your tenants, the odds of a [dispute](#) would be decreased.

Some of the main areas of concern that landlords face in student lets are:

- **Properties will tend to suffer** more [wear and tear](#) when let to students, given the frequent turnover and higher number of tenants.
- **You may experience extended empty periods** during the summer and Christmas breaks in the property.
- **Most students will not have much furniture**, so you'll likely need to supply the property fully furnished - including white goods.
- **Maintenance is usually more costly** than those in a regular tenancy.
- **Along with furniture**, you'll be expected to supply broadband and Wi-Fi, and perhaps a TV for the communal area.



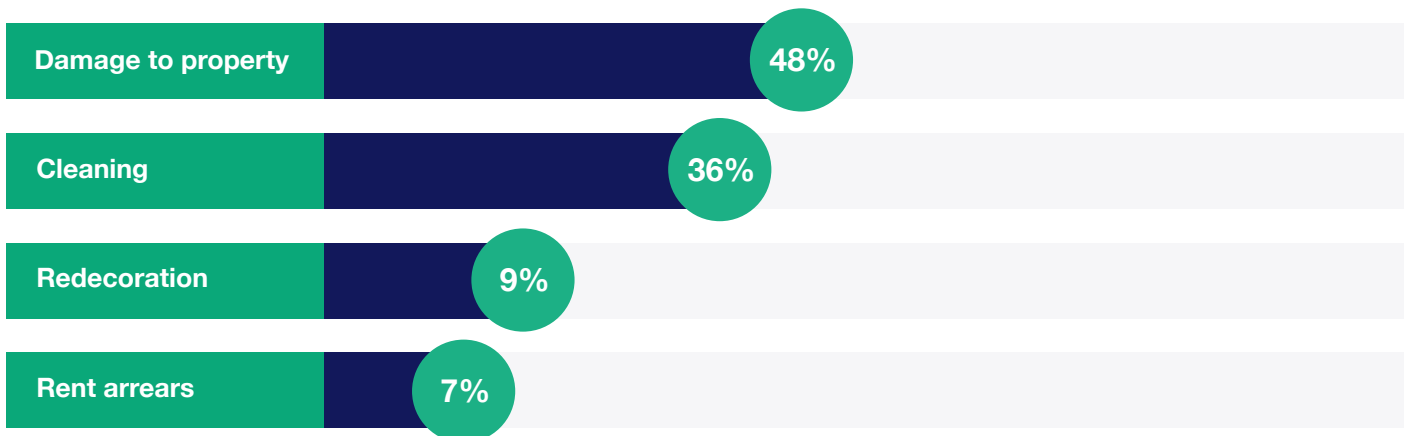
TDS poll insights

Our latest TDS renting to students poll confirms that 60% of responders found that, in general, students took care of the rental property, a common fear surrounding deciding to rent to students.

Positively, 86% will continue to let to students in the future. However, despite this, our poll highlighted that a high percentage of landlords and agents had to raise a deposit deduction.

88% of landlords have had to make a deposit deduction upon end of tenancy.

For those landlords who had to make a deposit deduction, the most common reasons for deposit disputes in student lets:



Our poll observed that over three quarters of landlords and agents perform mid-tenancy inspections, and over half attended the check-in/check-out with the students present.

If you are new to student letting, there are a few things to think about.

The standard landlord duties apply when you're renting to students, including gas safety and fire safety regulations and deposit protection regulations. Also remember that, under the right to rent rules, you are required to check your tenants' immigration status. However, there are further points that student landlords should note:

- **If there are three or more students renting**, and they share a bathroom or kitchen, then the property is a 'house in multiple occupation' (HMO). If you rent to five or more persons living together as two or more separate households, you will require a licence from your local authority. Some local councils require smaller HMOs to have licences too, so check with them to find out.
- **If you're registered as an HMO**, there are minimum room sizes to be aware of. Single-occupancy rooms must have a minimum floor area of 6.51 sq metres, and double occupancy are 10.22 square metre minimum. Any part of the room with a ceiling height of less than 1.5m is not included within the measurement.
- **Council tax is waived for students**, but you must obtain an [exemption certificate](#) from the council, which frequently requires proof of student status from their university. Remember that if you cannot prove that your property was occupied solely by students, you may have to pay the outstanding council tax.
- **The communal space should be used to house things that any one of the tenants might need to access** (for example the broadband router, thermostat, hot water controls, fuse boxes).
- **Since most students do not own much furniture**, it would be wise to supply the property well-furnished. This would include white goods, beds, wardrobes, sofas, curtains, lamps, vacuum cleaner, bins and desks and chairs for each room.
- **As most students won't be living in the accommodation** for the entire year, ensure your insurance policy covers periods of voids or empty property.

Safety regulations to keep in mind when switching to HMO

In addition to providing reasonable accommodation and amenities, as a landlord of a student property you should understand and meet your legal obligations to ensure you're housing them safely. As a landlord of an HMO, you will be required to make sure:

- 1 Each unit (bedroom or bedsit) must be equipped with a smoke alarm.
- 2 Your HMO has had a written risk assessment.
- 3 All escape routes are protected by automatic closers fitted onto fire doors.
- 4 A fire risk assessment should be carried out and implement any recommendations. If in doubt, contact your local authority for assistance.
- 5 A mains-powered fire alarm system is correctly fitted.

Common student let disputes Q&A

“My neighbours have complained about frequent late-night parties with loud music. How do I approach the students and keep both my neighbours and tenants happy?”

Antisocial behaviour- specifically excessive noise- has a knock-on effect within the local community; one noisy neighbour can make an entire street miserable. If you don't deal with the problem, it might escalate and turn into a more serious issue such as aggrieved neighbours contacting environmental health.

If you are contacted about noise complaints, remind the students to ensure that future parties are held until reasonable hours and that music is turned down after 11pm. Advise it's best practice to let neighbours know about party plans and hold them at weekends when people who have work the next day can sleep soundly. No one should mind a tenant throwing a soiree every now and again, but if they receive frequent noise complaints, then further action needs to be taken.

Top Tip: Make sure to include a clause in the tenancy agreement related to excessive noise and quiet hours. This will deter any 'party animal' students.

“One of our students has put up a lot of posters and caused marks on the walls. Can I deduct for a full and professional repaint?”

Blu-tac and nails are considered avoidable damage and therefore, are not considered fair wear and tear. In this case, if the tenant is not permitted to make any alterations to the property without first obtaining the permission of the landlord, then you will be able to submit a [deposit deduction](#). If the tenant did get permission to alter the property in any way to include adding fixings to the walls, the tenant should be able to provide written evidence of this permission in support of their statement. Assuming the walls were freshly painted prior to the student moving in, you would likely be awarded compensation.

Top tip: It is essential that your tenants are aware of the obligations placed on them by the tenancy agreement. Highlight key dos and don'ts at the beginning of the tenancy, so the students are aware of what's expected of them.

Reduce The Chances of a Deposit Dispute

Many landlords have experienced costly delays, stress, and extra administration time due to deposit disputes. Here are a few pointers to help you avoid such disputes at the end of a tenancy.

- ✓ Before signing a tenancy agreement, **perform reference checks** on all tenants, or request a reference from the university or student housing provider if they are coming straight from residence halls.
- ✓ A parent or other adult family member can **serve as a guarantor**. This will ensure that any owed monies are repaid even if the student cannot do so.
- ✓ **Provide a move-in pack** that describes where things are, how to use appliances, the signed inventory, and how to avoid causing damage. Give clear directions so there is no doubt about what is and what is not allowed, such as avoiding driving nails into the walls or keeping the garden tidy.
- ✓ It's crucial to [include the right clauses](#) in a contract so that deposit deductions can be negotiated if necessary. A well-drafted tenancy agreement will help your tenant understand their duties.
- ✓ **Perform a [check-in and inventory](#)**. Prior to your students moving in, ensure you have a detailed inventory of all your fixtures, fittings, contents, and décor. Include photos and thorough descriptions of the condition of each item in the inventory. Have all your tenants sign this inventory at check-in.
- ✓ **Keep an open channel of communication!** It's important to ask if the students require anything, as this may be their first time living independently. You may find that you need to give more pointers and provide more assistance than you would with seasoned tenants.
- ✓ [Conduct regular inspections](#) and write them into your tenancy agreement.
- ✓ **Provide a moving out summary**. Remind tenants to review the inventory and return the property in the same condition and to the same standard of cleanliness as it was at the start.

[NRLA](#) help landlords understand the legislation that surrounds rented properties, which include common factors such as the ones above. They offer some of the most comprehensive learning resources and market-leading intelligence available in the sector.

If you are not yet a member of the NRLA, [click here](#) to join and receive £15 off membership!

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