

Conditions for renting out your property



- There are complicated laws and regulations you have to comply with. You should get your own expert advice before renting out your property.
- These conditions don't explain tenancies in detail.
- At the end of the 12 months, we'll carry out some checks to help us decide if you can rent out your property for another 12 months. We'll tell you about the checks at the time.
- We agree that you can rent out your property for 12 months if you meet these conditions. You must carry on making your usual monthly mortgage payments while your property is rented.

1 Conditions that apply where you rent out the property as holiday accommodation

1.1 You can rent out the property as holiday accommodation for up to 16 weeks in a calendar year without our consent.

1.2 If you do this for 16 weeks or more in a calendar year you must make sure that:

- (a) it will only be used by the occupants as holiday accommodation;
- (b) you meet all relevant laws and regulations that apply to renting your property as holiday accommodation, including getting any necessary consents such as, if the property is in Scotland, obtaining a short-term lets licence;
- (c) if your property is leasehold, you meet the conditions in your lease before the holiday letting agreement starts. For example, you may need the landlord's written consent;
- (d) each holiday let is for a fixed period of up to 2 weeks. You must not extend this or allow the occupants to stay in the property longer than this;
- (e) all occupants have signed the holiday letting agreement before they can occupy the property;
- (f) the rent has been paid in advance either:
 - (i) for a holiday let of 1 week or less, before it starts; or
 - (ii) for a holiday let of more than 1 week, at the beginning of each week;
- (g) at all times you have the right insurance for the property covering use as a holiday let; and
- (h) you tell us your new address while you're renting out the property.

2 Conditions that apply to all other types of tenancy

2.1 You have to make sure that:

- (a) you meet all relevant laws and regulations that apply to renting out your property, such as, protecting the tenant's deposit and getting any necessary consents;
- (b) if your property is leasehold, you meet the conditions in your lease before the tenancy starts. For example, you may need the landlord's written consent;
- (c) all tenants sign the tenancy agreement, which must meet condition 2.3;
- (d) the rent covers your monthly mortgage payments and any bills, for example council tax;
- (e) you make suitable arrangements for management of the property;
- (f) at all times you have the right insurance for the property;
- (g) you give the tenant written notice that:
 - (i) you've mortgaged your property;
 - (ii) as the mortgage lender we can take possession of and sell your property under the terms of the mortgage in certain circumstances;

(iii) if we sell your property under the terms of the mortgage they'll need to move out in line with the statutory or contractual notice from us; and

(h) you tell us about any changes to your address - we'll send documents about your mortgage to the last address you gave us.

2.2 You must not:

- (a) let your property to more than 5 unrelated tenants;
- (b) enter into more than 1 tenancy for your property (where each tenant would have a separate tenancy agreement); or
- (c) rent out your property to:
 - (i) asylum seekers;
 - (ii) people who have or may get diplomatic immunity;
 - (iii) Rent Act protected tenants. These are people who could have the right to stay in your property after the tenancy ends; or
 - (iv) agents of any of these people.

2.3 Your tenancy agreement has to be in writing and say that:

- (a) the tenant will:
 - only use your property as their home and not for any business;
 - keep your property in good repair and condition;
 - pay rent monthly or weekly;
- (b) you can end the tenancy at the end of any fixed term or end it early if the tenant has breached any term of the agreement; and
- (c) the tenant can't sub-let your property (let all or part of your property to someone else) or transfer the tenancy to someone else within the first 3 months of the term or to anyone in condition 2.2(c). Any sub-let must comply with these conditions.

3 Extra conditions depending on where your property is

3.1 In England:

- (a) the tenancy must be for a fixed term of up to 12 months;
- (b) if the annual rent is £100,000 or less, the tenancy has to be an assured shorthold tenancy and meet the terms of the Housing Act 1988 (as amended);
- (c) the tenant must not have security of tenure under the Landlord and Tenant Act 1954 (meaning they must not have the right to stay in your property after the tenancy ends); and
- (d) you have to give the tenant written notice before they move into your property that we can seek possession under the Housing Act 1988, and include this condition in the tenancy agreement.

3.2 In Wales:

(a) the tenancy must meet (i) or (ii), depending on when it started:

- (i) **If it started before the Renting Homes (Wales) Act 2016 ('the RHWA') came into effect**, it must meet condition 3.1 above. Then, after the RHWA came into force, your tenancy agreement will have changed into an occupation contract. Your tenants will have become contract-holders. You have to make sure that a written statement of the occupation contract, that meets the terms of the RHWA, has been given to your contract-holders within 6 months of the RHWA coming into effect; or
- (ii) **If it started after the RHWA came into effect**, it must be a standard occupation contract within the meaning of the RHWA for a fixed term of up to 12 months. It must contain a break clause which lets the landlord end the contract on 2 months' notice as set out in the RHWA;

(b) you must meet the RHWA in full. For example, you have to:

- (i) make sure the property is fit for human habitation, which means it meets all the legal standards for contract-holders to use it as their home;
- (ii) protect all deposits as set out in the RHWA and give all required information to the contract-holders; and
- (iii) give your contract-holders a written statement of the occupation contract within the time limits stated in the RHWA.

(c) you must make sure that:

- (i) the occupation contract clearly states that it excludes any rights of succession in the RHWA;
- (ii) the occupation contract includes all fundamental terms set out in the RHWA without any changes;
- (iii) where any supplementary terms set out in the RHWA or related regulations are left out or changed, those differences are agreed with the contract-holder; and
- (iv) any extra terms included in the occupation contract do not conflict with any key matter, fundamental term, or supplementary term in the RHWA and are fair under consumer protection law.

3.3 In Scotland:

- (a) the tenancy must be a private residential tenancy as defined in Section 1 of the Private Housing (Tenancies) (Scotland) Act 2016 and contain the statutory terms;
- (b) you must use the mandatory wording in the Scottish Government Model Tenancy Agreement in your tenancy agreement and not change any of that wording;
- (c) you need to give the tenant a copy of the easy read notes for the Scottish Government Model Tenancy Agreement;
- (d) you have to give the tenant written notice before they move into your property that we can seek possession under Ground 2 in Schedule 3 of the Private Housing (Tenancies) (Scotland) Act 2016, and include this condition in the tenancy agreement;
- (e) you have to register with the local authority under the Antisocial Behaviour (Scotland) Act 2004; and
- (f) if the tenant is a company or educational institution, the tenancy agreement must include a condition that the parties intend the tenancy to come to an end at the termination date and, if it goes beyond this date, it's on a month-by-month basis and not automatically on the same terms.

3.4 In Northern Ireland:

- (a) the tenancy must be for a fixed term of up to 12 months; and
- (b) the tenancy must be a private tenancy that meets the terms of the Private Tenancies (Northern Ireland) Order 2006.

(b) the tenant must have a registered office and place of business in the United Kingdom;

(c) the tenancy agreement has to say that:

- (i) it's for an initial fixed term of up to 12 months unless we agree differently;
- (ii) the tenant can't assign, sub-let, charge or otherwise part with possession, or share occupation of all or part of your property, unless
 - o it's to an employee of the tenant, and that employee doesn't have security of tenure (meaning the right to stay in your property after the tenancy ends); and
 - o the tenant has got your agreement; and
- (iii) any liquidator, receiver or administrator of the tenant who has a right to take the tenant's interest must carry out the obligations of the tenant under the tenancy agreement.

4.2 For an educational institution:

(a) the tenancy agreement has to say that:

- (i) it's for an initial fixed term of up to 12 months unless we agree differently;
- (ii) the tenant can't assign, sub-let, charge or otherwise part with possession, or share occupation of all or part of your property, unless:
 - o it's to someone doing or intending to do a course of study provided by the tenant or to a member of academic staff of the tenant and that employee doesn't have security of tenure (meaning the right to stay in your property after the tenancy ends); and
 - o the tenant has got your agreement.

4.3 For a local authority:

(a) the tenancy agreement has to say that:

- (i) it's for an initial fixed term of up to 12 months unless we agree differently;
- (ii) the tenant can't assign, sub-let, charge or otherwise part with possession, or share occupation of all or part of your property, unless
 - o it is to someone who does not have security of tenure (meaning the right to stay in your property after the tenancy ends);
 - o the tenant has got your agreement; and

(b) the tenant must not have security of tenure (meaning the right to stay in your property after the tenancy ends) under either the Landlord and Tenant Act 1954 or the Business Tenancies (Northern Ireland) Order 1996.

4.4 For a housing association:

(a) the tenant needs to be a registered social landlord;

(b) the tenant must have a registered office and place of business in England or Wales;

(c) the tenancy agreement has to say that:

- (i) it's for an initial fixed term of up to 12 months unless we agree differently;
- (ii) the tenant can't assign, sub-let, charge or otherwise part with possession, or share occupation of all or part of your property, unless
 - o it is to someone who does not have security of tenure (meaning the right to stay in your property after the tenancy ends);
 - o it is for a maximum period of up to 12 months and the tenant does not permit any further sub-letting of the property;
 - o the tenant has got your agreement; and

(d) the tenant must not have security of tenure (meaning the right to stay in your property after the tenancy ends) under either the Landlord and Tenant Act 1954 or the Business Tenancies (Northern Ireland) Order 1996.

4 Extra conditions for certain types of tenant

4.1 For a company:

- (a) the tenancy agreement mustn't breach the memorandum and articles of association of the tenant;