

Renting jargon

Lettings definitions for landlords and tenants



STAGS

Renting jargon made simple

AGENT

An agent acting on behalf of the landlord who may be involved in the letting, rent collection, management of a property.

ARLA

ARLA Propertymark is the Association of Residential Letting Agents. They are the UK's recognized industry body for property agents with over 9,000 members.

ARREARS

Money that is unpaid by a tenant in whole, or in part, after the date specified in the Tenancy Agreement.

ASSURED SHORTHOLD TENANCY AGREEMENT (AST)

The standard Tenancy Agreement normally used for residential lettings. It offers the landlord a guaranteed right to repossess his/her property at the end of the term stated in the Tenancy Agreement.

BREAK CLAUSE

A clause sometimes inserted in a Fixed Term Tenancy, typically if the initial fixed term is for a year or more. A break clause will usually allow either landlord or tenant to give two months' written notice at any stage after a particular date or period of the tenancy, thus terminating the tenancy earlier than the end of the original fixed term.

BUY TO LET

An investment where you buy a property – often with a mortgage – and rent it out.

CHECKOUT

The process of checking a property after a tenant has vacated. Normally only done when an inventory was carried out at the start of the tenancy. The condition of the property and the contents is checked against the inventory and the report is used as evidence for the settlement of the deposit.

CLIENT ACCOUNT

An account set up in a bank, building society or other financial institution specifically to hold money held on behalf of clients.

CLIENT MONEY PROTECTION (CMP)

The Client Money Protection (CMP) scheme provides compensation for landlords, tenants and other clients, when agents misuse or misappropriate their rent, deposit or any other client funds. Stags has Client Money Protection through the RICS.

COMPANY LET

A tenancy where the property is rented by a company or corporation whereby the occupiers of the property are likely to be employees, family of employees or associates.

COUNCIL TAX BAND

A local authority tax for England, Wales and Scotland, which is usually the responsibility of the resident to pay. The band indicates how much council tax will be paid, based on the value of the property. Council tax is usually paid by the tenant unless the Tenancy Agreement specifically states otherwise.

DEPOSIT

A deposit is a sum of money that a landlord or letting agent can request at the beginning of a tenancy, as security against non-payment of rent or property damage. In England and Wales deposits can be no more than five weeks' rent.

DILAPIDATIONS

Damage to a property or contents that exceeds acceptable wear and tear.

ELECTRICAL INSTALLATION CONDITION REPORT (EICR)

Landlords of privately rented accommodation in England must ensure National Standards for electrical safety are met. This means Landlords must have the electrical installations in their properties inspected and tested by a person who is qualified and competent, at least every five years. Landlords have to provide a copy of the Electrical Safety Report to their tenants.

ENERGY PERFORMANCE CERTIFICATE (EPC)

All properties let for private residential purposes must have an EPC. It is used to report the energy performance of a property.

FIXED TERM TENANCY

A fixed term is a tenancy lasting for a predetermined amount of time e.g. 12 months. Fixed term tenancies cannot be ended early. At the end of a fixed term agreement it would automatically become a periodic tenancy.

FIXTURES AND FITTINGS

Items usually provided in any letting that may include curtains, carpets, blinds, light fittings, kitchen units and appliances.

FULLY MANAGED

A service level offered to landlords by Stags. It is a service whereby the tenant's main point of contact will be with the agent, as opposed to the landlord direct.



FURNISHED

A property that is let with all furnishings a tenant would need to live comfortably. It is advisable to check what is provided and not to assume that all items will be provided.

GAS SAFETY REGULATIONS

The landlord must ensure that a gas safety check is carried out prior to let and then annually thereafter. An authorized gas safe engineer must carry out the check and a copy of the record must also be given to the tenant.

GROSS RENTAL YIELD

The annual rental income expressed as a percentage of the value of the property.

GROUND FOR POSSESSION

The reasons for applying to the courts for repossession of a property.

GUARANTOR

A person who is prepared to guarantee rental payments and other obligations of a tenancy to a landlord. The guarantor is liable for rental payments if a tenant is unable to pay them, so the guarantor will need to have a regular income. References or credit search references will usually be taken up on a guarantor.

HIGH RENT TENANCY

This refers to a Tenancy Agreement where the annual rent is over £100,000 per annum, also known as a Contractual Tenancy.

HOLDING DEPOSIT

A holding deposit is paid by a prospective tenant to secure a rental property. The deposit can be no more than one week's rent and is usually paid during the application process. If all goes well, this deposit is returned to the tenant when they move in, typically as a deduction from their first month's rent or deposit. If the tenant withdraws from the letting process,

or fails referencing based on false information provided, the holding deposit may be kept to cover these administration costs.

HOUSE IN MULTIPLE OCCUPATION (HMO)

An HMO is any residential property occupied by three or more people with shared facilities, such as a bathroom or kitchen, who form two or more households.

HOW TO RENT GUIDE

The How To Rent Guide is a government document outlining the rights and responsibilities of tenants. Landlords must give tenants a copy of the guide at the start of their tenancy.

INITIAL TERM

This describes the first period of the tenancy.

INVENTORY

An inventory details the contents of a property and can include the state and condition of a property, including the fixtures, fittings and the garden. It forms the basis of the deposit administration.

JOINT AND SEVERAL LIABILITY

Where there is more than one adult living in the property, the tenancy will say they are jointly and severally responsible. This means that jointly the tenants are liable for the payment of all rents and all liabilities falling upon the tenants during the tenancy as well as any breach of the agreement.

LANDLORD

A person, persons, company or body that has the right to let the property.

LEASE

Often confused with Tenancy Agreement, this is normally a Long Lease on an apartment. The actual document governing a rental is normally known as a Tenancy Agreement.



LEGIONELLA

Legionella is a bacteria that can be found in water systems. In England and Wales the government recommend that landlords conduct a Legionella Risk Assessment at their rental property, to ensure their water is safe.

LESSOR

Refers to the person responsible for granting a lease, usually the landlord.

LETTING

An agreement to let a particular property.

MANAGING AGENT

A letting agent who manages the day-to-day running of the property on behalf of the landlord. The landlord remains legally responsible for the property and repairs, but the agent works on the landlord's behalf.

MID-TERM INSPECTION

During a tenancy a landlord or the agent will undertake a mid-term inspection. This is a general check on the property and the tenant to ensure everything is going well and that the property is in good condition.

NON-HOUSING ACT TENANCIES

Residential tenancies which do not meet the criteria of the Housing Act 1988 and Tenancies Act 1996, are known as Non-Housing Act Tenancies.

NON-RESIDENT LANDLORD (NRL)

The scheme that sets the rules for how overseas landlords pay tax.

NOTICE PERIODS

The amount of notice that the landlord must give the tenant to end the tenancy and vice-versa.

OCCUPANCY RIGHTS

These are contained within the Tenancy Agreement and give the tenant right of occupancy of the property.

OWNER/OCCUPIER

The person who owns the property who is, has been and will be living in the property as their sole and principal residence.

PCM RENT

The abbreviation means per calendar month and is commonly found in adverts for rental properties.

PERIODIC TENANCY

Unlike a fixed term Agreement, a periodic agreement lasts indefinitely until the landlord or tenant decides to end it. It is also called a rolling periodic tenancy.

PERMITTED OCCUPIER

A permitted occupier is a person permitted to live in a rental property but is not listed on the Tenancy Agreement. They are not required to pay rent and have no legal rights to the property. Typical permitted occupiers include a partner who stays on a regular basis, an older child that lives at university and returns during the holidays, or an older relative that must be cared for.

PORTABLE APPLIANCE TEST (PAT)

A test carried out on electrical appliances. Landlords should have electrical equipment PAT tested annually, or before a change of tenancy.

PORTFOLIO

When a landlord lets more than one property, this is called a portfolio.

PRESCRIBED INFORMATION

Deposit information which a landlord must serve to their tenant within 30 days (in England and Wales) of having received their deposit. The information includes which scheme protects the deposit, their contact details, reasons the deposit may be held and how to resolve deposit disputes.

REFERENCES

Allows a landlord to check a tenant's tenancy application suitability to be able to pay the rent and also the applicant's track record in earlier rentals. This often involves contacting

previous landlords, present employer or accountant if self-employed.

RENTAL YIELD

The gross rental yield is the annual rental income expressed as a percentage of the value of the property. Whereas the net rental yield takes into account the costs associated with owning the rental property, such as a property management charge, mortgage costs, insurance etc.

RENT ARREARS

Rent arrears is the amount of unpaid rent on a current Tenancy Agreement. If a tenant has rent arrears at the end of the tenancy, the owed amount can be deducted from the tenancy deposit. If the arrears are more than this amount, the landlord can take the tenant to court to get the balance back.

RENT COLLECT

A management service offered to landlords which involves letting the property and collecting the monthly rents thereafter. The landlord is left to organize other tenant matters, property maintenance, maintenance and end of tenancy arrangements.

RIGHT TO RENT

The Right To Rent scheme, which helps to make sure that people renting property in the UK have a legal right to be here, was ruled out across England in February 2016. The Right To Rent law means that landlords or the letting agent must carry out identity checks on every tenant before they sign a Tenancy Agreement.

RESIDENT LANDLORD

Where the landlord occupies part of the dwelling as their main or principal home and lets the rest of the property.

SOLE AGENT

When a single agent is instructed to undertake the letting and management of a property.

STAMP DUTY

Stamp Duty is a tax paid on property transactions. The tenant is responsible for paying any stamp duty (SDLT Stamp Duty Land Tax). The starting point is currently £120,000 in any one agreement, therefore the rental (without any gardening, cleaning or other additions included) would be over £10,000 per month before Stamp Duty Land Tax is payable.

STANDING ORDER

The standing order mandate is an instruction that the tenant makes to their bank for payment of rent. A landlord or agent cannot cancel a standing order mandate. A standing order should not be confused with a direct debit.

SUBJECT TO CONTRACT (STC)

Signifies that an agreement is not yet legally binding.

TENANCY AGREEMENT

The Tenancy Agreement is a legally binding document that details the terms of the rental. This should be agreed upon and signed before any tenancy begins. It may also be referred to as a Rental Agreement.

TENANCY DEPOSIT SCHEME (TDS)

Any landlord is legally required to register the tenant's security deposit in a Tenancy Deposit Scheme, which protects the money for the tenant and will assist with any disputes at the end of the tenancy.

TENANT

A person who lives in a property owned by a landlord in exchange for a monthly rent.

TENANT FEE BAN

The Tenant Fee Act, or Tenant Fee Ban, came into force in 2019. This law limits the fees that can be charged to tenants and cap tenancy deposits at five weeks' rent.

TERMINATION

Refers to the ending of a tenancy.

UNFURNISHED

A property let with no furnishings.

UNIVERSAL CREDIT

A monthly benefit payment that has replaced Child Tax Credits, Housing Benefit, Income Support, Job Seeker's Allowance, Employment and Support Allowance and Work Tax Credit.

UTILITIES

These are normally electricity, gas and water, and may be referred to as services which, under most circumstances, the tenant is responsible for paying for.

VIEWINGS

Viewings are the tenant's opportunity to examine the rental property before deciding whether or not to rent it.

VOID PERIOD

This refers to the time in between tenancies where the property is left vacant. Landlords, ideally, want to reduce their void periods to a minimum to maximise their rental income.

WEAR AND TEAR

Damage to the property, caused by day-to-day living, is referred to as wear and tear. This includes things like worn carpets or minor scuffs on the wall that have not been caused by negligence. General wear and tear is not allowed to be deducted from deposits.

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 Dartmouth01803 833681
 Dulverton01398 323174
 Exeter01392 671598
 Honiton01404 42553
 Kingsbridge01548 853131
 Launceston01566 771800
 Okehampton01837 619818
 Plymouth01752 223933
 South Molton01769 572263
 Taunton01823 447355
 Tavistock01822 619818
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