

A photograph of four students in a school hallway. On the left, a boy in a grey hoodie and backpack is seen from the side, talking to a boy in a black t-shirt who is smiling and holding a blue folder. To the right, two girls are smiling and looking towards the boys. The hallway has white walls and a staircase in the background. A large, semi-transparent red and orange graphic overlay covers the middle of the image, containing the title text.

# **10 STEP GUIDE** FOR STUDENT LANDLORDS

BROUGHT TO YOU BY



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**Dear Landlord,**

Congratulations on getting your hands on this No-Nonsense Guide for Student Landlords in Norwich. It's true. Owning and renting out student properties can be a rewarding part-time or full-time business for landlords and has certainly helped many property owners get ahead financially. It can also, however, be a frustrating experience. If you have a property on the market, have been struggling to rent out your property or get the right rent for it. This is especially true in Norwich City Centre, the Golden Triangle, Earlham, Eaton, Threescore, Bowthorpe, and around the university areas...*don't be discouraged.*

At Elite Property Solutions we recognise that student landlords don't always the support they need. For this reason, we have pooled our knowledge and experience together in this useful guide to better prepare you for the student rental market. Whether you're someone interested in renting to students or an experienced landlord with a portfolio of student properties, this guide can help you make the most of your investment and plan for the future.

The Elite team has 10 years combined experience working with Norwich students. This rewards us with an unsurpassable knowledge of the local area and the student community. Not only are our staff university educated but we are landlords ourselves which gives us a unique insight into what both our tenants and landlords need from us.

Currently, we are a member of the Eastern Landlord Association, managing a portfolio worth well in excess of £10m on behalf of our clients, providing first class service. Over the years, our clients have included various bodies such as property developers, major private investors, and businesses diversifying into property investment.

What we are about to share with you now are some of the strategies our team has used to actively secure large, consistent, positive cash flows from student properties that we manage.

I hope you find the following pages helpful. Please don't hesitate to give us a call if you have any questions about renting to students or what services we can offer you.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Alex Okolidoh', with a stylized flourish at the end.

Alex Okolidoh  
*Managing Director*

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## **1. Overview of the Norwich Student Rental Market**

The number of people attending the University of East Anglia has changed little in recent years, only increasing by 181 between 2006 and 2009 to 14,228 students, despite the last government's goal to eventually send 50% of 18 year olds to university. This number is not likely to change much in the near future either, seeing as teaching facilities are stretched to capacity and considering the increase in tuition fees. Nevertheless, with more students applying to the university than ever before, the Norwich student rental market presents a significant opportunity for steady income in an otherwise unsure economy.

The recently built "INTO Centre", which offers a variety of English courses, has encouraged more international students to come to Norwich than ever before. Currently, just over 11% of UEA students are from non-EU countries, up almost 2% on three years ago. This rise has mainly been fuelled by an influx of Chinese and Japanese postgraduate students.

At present, UEA has 3,503 bedrooms available on campus to first year British and International students. Accounting for locals who live with their parents, that leaves approximately 10,000 students needing accommodation in the private sector each year. Elite's excellent reputation with students has enabled us to quickly become the market leader in Norwich student rentals, managing to find housing for 500 students in the last academic year. With plans to dramatically increase our marketing efforts toward students on UEA campus, we are confident that we will be able to significantly increase our student numbers for next year.

## 2. HMO Licensing & Gas/Electricity/Fire Safety Checks

A rented property is classed as a House in Multiple Occupancy (HMO) when it is occupied by people who don't form a single household (in the UK a household is defined as people who are in the same family and couples living together). If your property has three or more storeys, is occupied by five or more people and has shared facilities, Norfolk County Council (NCC) requires you to apply for an HMO licence. This will incur a fee of £270 and means that your property will be subject to a host of extra requirements and legislation. Failure to apply for this licence when it is required or to fulfil the responsibilities of being a landlord of an HMO could result in a fine of up to £20,000 or even a prison sentence.

As a landlord of an HMO, there are several checks and changes you must perform in respect of the property. This includes displaying your name and contact details within the property and maintaining the condition of any safety equipment. Your property will also need to pass some safety checks; notably you will need a Gas safety certificate issued by a Gas Safe engineer and an electrical safety certificate issued by a NICEIC (National Inspection Council for Electrical Installation Contracting) electrician. A more comprehensive list of the requirements for running an HMO can be found at:

*[http://www.norwich.gov.uk/webapps/atoz/service\\_page.asp?id=1099](http://www.norwich.gov.uk/webapps/atoz/service_page.asp?id=1099).*

Elite recognise the extra burden placed on landlords by being the manager of an HMO, so we carry out most of the requirements of an HMO as part of a comprehensive management package. Please feel free to contact us for further details of what services we are able to provide.

### **3. Furnishings, Decoration & Security**

Selecting the furniture and decorating your property is a very important matter, as choosing incorrectly may cost you in the long run. If you plan to rent to students, you will need to furnish every bedroom with a desk, chair, wardrobe and bed. Students will also expect seating in the lounge, a vacuum cleaner, a cooker, fridge and washing machine (a tumble drier is not essential but will help reduce the chance of mould developing in the winter). Ensure that you keep the warranties for any of these items. Also inform your students or agents about any appliances for which you have warranty cover to ensure they do not engage in any expensive repairs or consider purchasing breakdown cover (calling out an engineer will cost you far more).

#### **Furnishings**

If you are preparing to rent your property for a long time, we strongly recommend buying high quality, durable furnishings. Although the initial costs will be high, cheaper furniture will deteriorate faster and may not be covered by the damage deposit if it is deemed “fair wear and tear”. Continually replacing cheap furniture will quickly add up and incur an unnecessary amount of effort on your part. Similarly, we suggest providing mattress protectors for all beds as they are relatively cheap and could prolong the life of your mattresses.

We suggest that you provide as few additional appliances as possible as it will ultimately mean more things that need to be serviced or replaced. For example, it is not necessary to supply tenants with kettles, microwaves, irons, crockery, cutlery or cooking pans as they will already have most of these things or be expecting to purchase them. However, we strongly suggest you provide cleaning equipment, in addition to the vacuum cleaner, such as a mop, bucket, bins, dustpan and brush as these will encourage your tenants to clean the property regularly.

If your house has a garden, you may want to provide equipment to maintain it such as a lawnmower. It is unreasonable to expect students to tend to the garden when a lawnmower has not been provided; some may even struggle to maintain the lawn with one! For this reason, it is a good idea to keep the exterior as simple as possible as it is more than likely that flowers and shrubbery will not be tended to during the tenancy. Alternatively, we can provide your property with a gardener (free of charge with our Comprehensive Management Service) who will regularly maintain the exterior.

Mould is a big problem in student houses and gives a very bad impression when showing round prospective tenants. Fitting strong extractor fans in the kitchen and bathroom will help remove some of the moisture. Asking students not to dry their washing on the radiators will also help,

as will providing a tumble drier. It is always a good idea to encourage your tenants to report any sign of mould at the initial stage before it becomes a major problem. A good agent should be able to spot it during a house inspection.

### **Decoration**

Owners of student property often think that the look of the house is unimportant to students. Although the decoration is not usually their top priority, students are still swayed by an attractive interior. Decorating your house in a way that appeals to the student market is an incredibly effective way of raising the profile of your property, which ultimately leads to greater interest from student groups.

When selecting your decorative scheme, you need to consider who will be living in the property. Accidental spills and stains are inevitable with groups of young adults living in such close proximity to one another. For this reason we recommend laying laminate flooring in the kitchen and bathrooms as it is easily cleaned. Similarly, dark carpets hide stains and dirt better than lighter colours. Also, plain painted walls will not date as quickly as patterned wall paper. Walls can easily be repainted when necessary and the house will maintain a modern feel for years without much extra effort from you.

### **Security**

Student housing is often targeted by thieves as it promises a large haul of laptops, mp3 players and other expensive gadgets. To try and prevent this, ensure that all outside doors are of solid construction and have a good five-lever mortise lock. All ground floor windows need to be similarly sturdy and lockable. Finally, having a shed or sheltered place for students to lock up their bikes is a big plus-point for the house as a large amount of students choose to cycle to university. You need to ensure that there is a suitable lock on this outbuilding as opportunistic thieves are unlikely to pass up the chance to acquire a free bike.

## **4. Assured Shorthold Tenancies & Joint Tenancies**

Before you begin finding tenants to fill the property, you will need to choose the type of tenancy you want to offer and produce the relevant contract.

The standard type of tenancy is known as an “Assured Shorthold Tenancy” (AST). This guarantees your tenants security of tenure in the property for a minimum of six months but we strongly recommend an 11 to 12 month contract as the Norwich students market is buoyant. To make the tenancy official, you should have a written agreement detailing the particulars of the tenancy. Acquiring one that is comprehensive enough to fulfil its purpose may be costly and time-consuming. To save you this inconvenience, Elite provide tenancy agreements with all of our services.

Most tenancies are usually a “Joint Tenancy”. This means that the tenants all sign one tenancy between them and are jointly and severally liable for their side of the agreement. From a landlord’s point of view, this means that you can recover a tenant’s unpaid rent from one of the other tenants named on the agreement. Likewise, you can use the damage deposit from any or all tenants to cover the damage done by just one tenant.

When signing contracts, Elite believe that it is important to ensure that all parties are aware of the terms of the agreement being signed. Most importantly, we explain clearly the term “jointly and severally liable” as most student wrongly assume they and their guarantors are responsible only for their own portion of the rent.

## 5. Advertising Your Property & Selecting the Right Tenants

Once your property is ready to accept students, the next step is to find suitable tenants to fill it. To do this, you will need to advertise your property so that prospective student tenants can contact you to arrange a viewing. The UEA has a student housing program called Homerun. For a registration fee of £25 per house, they will add the details of your property to their housing list which is distributed to all UEA students. They suggest that you register with them by 10<sup>th</sup> December to secure a good place on their list. However, we do not recommend this service to landlords that lead busy lives and do not want the hassle of dealing with numerous students for trivial issues and organising maintenance, or landlords who simply don't live in the Norwich area.

As an alternative, Elite offer a full advertising program with all of our services. We advertise our properties on a wide range of websites including Rightmove, Homes24, Zoopla, UpMyStreet, UkPropertyShop, Sky, Gumtree, Archant, AccommodationforStudents.com, as well as our own sites: [www.epropertiesolutions.co.uk](http://www.epropertiesolutions.co.uk) and [www.norwichstudenthousing.co.uk](http://www.norwichstudenthousing.co.uk) (exclusively dedicated to students). In addition to this, we regularly undertake advertising in local newspapers, magazines and targeted flyer campaigns. Although we advise our student landlords to register with us before the New Year, we are confident that we would be able to fill any property that is registered with ourselves by March. Although houses registered after this period may still be filled, they will have missed the bulk of the students' search (usually January – April) and so are less likely to generate interest in the kind of tenants you want – the steady ones who think ahead.

Next, you will need to organise viewings of the house. It is wise to conduct these yourself as existing tenants may not disclose necessary details or feel obliged to highlight the less desirable aspects of your property to prospective tenants. Supervising the viewings yourself will also minimise the annoyance to any current tenants and let you check the state of the house before you show it off. However, you may find it hard to fit in time for multiple viewings and constant phone calls from students wishing to see your house. Elite offer supervised viewings during the day, evenings or weekends and will arrange transportation for students to get to and from the property.

From these viewings, you will need to select tenants; this is usually done via the collection of references and guarantors. You should be suspicious of any tenant that is unable to provide a reference as this tends to indicate that they were not a good occupant in their last accommodation. However, it has been known for false references to be produced, which indicates that it is not a good idea to rely on references alone. In addition to taking references,

Elite Letting Consultants assess the stability of student groups when conducting viewings, because people who do not get along are likely to cause trouble during their tenancy and we are committed to only sourcing high-quality tenants for our landlords. As a precautionary measure, we also ask for the tenants to provide details of their guarantors. These are people who are connected to the tenant (usually a parent or guardian) who are UK homeowners, financially stable and able to pay the rent if the tenant cannot.

## **6. Inspections, Annual Maintenance, Cleaning, Inventories & Tenancy Changeover**

At the end of a tenancy, you will need to conduct a full inspection of the property. Ideally this should be done once the occupants have moved out so that you are free to view the whole house. You will need to complete an outgoing inventory, noting down any maintenance work and cleaning that needs to be done (see chapter 10 for more details on dealing with handing back the deposit). If maintenance work needs to be done, you will need to find a reliable tradesman and get a quote.

Before the new tenancy begins, you will need to have an Annual Gas Safety Certificate issued by a Gas Safe registered gas engineer, or registered by the council's successors. You are also required to have an electricity safety certificate every 5 years, issued by a NICEIC (National Inspection Council for Electrical Installation Contracting) registered electrician. As a matter of good practice, and taking into account that most students are living away from home for the first time, our Electric safety certificate is done every 2 years. Additionally, you will need to make sure that the house is clean. This may mean that the interior of the property needs to be cleaned thoroughly (including carpets) and the garden needs to be weeded, lawn cut and any shrubbery trimmed. Finally, keys need to be copied and distributed to tenants where necessary, ensuring that they have access to all external doors of the property and any outbuildings. Elite will complete this entire process for you as we recognise that the tenancy change over a short period can be a very hectic time for landlords.

## **7. Home Information Pack, Utility Companies & Council Tax**

Although not essential, it is good practice to provide your tenants with a house information pack. This is a folder containing any relevant information or documents about the tenancy or that the lease-holders may find useful.

Whether you decide to design an information pack for your tenants or not, you are obliged by law to provide your tenants with certain documents. You should include a copy of the tenancy agreement, copies of gas and electricity safety certificates, a copy of the inventory, contact details for yourself and emergency contact numbers for utility faults and failures.

In addition to these, it is a good idea to include manuals for any equipment that is provided with the house such as the cooker, washing machine etc. Information on local bus and refuse collection details would be equally useful. Finally, we recommend that you include specific information on how to treat the house, for example, advising students to put the heating on occasionally during winter so that the pipes don't burst and give brief instructions how to avoid the build up of condensation and mould.

Elite provides our managed houses with an information pack containing all of this information as well as a 25-page general tenant guide. The tenant guide not only provides your student tenants with useful information about the city but also explains what behaviour Elite expects from its tenants.

### **Utility Companies and Council Tax**

Once your new tenants have signed the tenancy agreement and paid the deposit, it's a good idea to notify the relevant bodies of the change in occupants. Firstly, you will need to notify your electricity, gas and water (Anglian Water) suppliers of the new names; they usually make it fairly easy to change, but in case of dispute, which can happen years later, you will have protected yourself. Finally, and most importantly, your students will need to notify Norwich County Council that they are students living in the house and their names. This will ensure that your occupants are not unduly charged for Council Tax.

## **8. Property Maintenance, Rent Payment, Managing Arrears & Harassment**

It is sensible to keep a close eye on your investment to ensure that the tenants are not mistreating your property. However, frequent visits are likely to upset the occupants and may even be breaking the rules of the tenancy agreement so you will need to time your visits carefully. Under the terms of your tenancy agreement, you are required to give 24 hours notice before you enter your property (either from you or any workmen you have hired) during the tenancy. Elite conduct inspections of our managed properties every 3 months. Quarterly visits cause nominal irritation to the tenants whilst giving minimal time for problems to develop, striking the perfect balance.

These inspections allow you to monitor several different possible issues and, if necessary, take action to rectify them. Elite primarily assess the condition of the property, looking at the cleanliness and condition of the house. This gives the tenants the opportunity to flag up any concerns they may have and alert us to maintenance issues that may need to be dealt with. Additionally, visiting allows us to ensure that no terms of the tenancy agreement are being broken, such as keeping pets or sub-letting of rooms.

### **Managing Arrears**

One issue that student landlords often have trouble with is the payment of rent. As discussed earlier, the vetting process is not perfect and occasionally tenants who are reluctant to pay rent slip through the net. If you are paying a mortgage in respect of the house this could lead to serious cash-flow problems.

Elite are very aware of this problem and have a refined system for dealing with such issues. First, you need to ensure that sufficient effort has been made to contact the student to enquire about the arrears. When writing to tenants about rent arrears we advise you to write to all the tenants in the property as the student in arrears may respond more swiftly on prompting from their housemates. Only when you have either been unable to reach the tenant on several occasions or encountered a student who refuses to pay rent can you then contact the guarantor. In the majority of cases, the guarantor (ideally a parent or guardian) will be so aggrieved about having to pay rent for the tenant that they will personally contact them and permanently resolve the issue.

## **9. Neighbour Disputes, Changes of Tenancy & Managing Parents**

### **Neighbour Disputes**

This is extremely important. Students' lifestyles are considerably different to those of working people; waking up at 1 p.m. and coming back from a night out at 4 a.m. is not uncommon. The difference in sleeping patterns can often cause friction between student households and working neighbours wishing to get a good night's sleep. This is where the landlord needs to ensure that the tenants are considerate of their neighbours, particularly by keeping noise to a minimum late at night. Elite set out guidelines in our tenant information pack (see chapter 7), advising students of the behaviour we expect from our tenants, particularly with relation to noise levels.

### **Changes of Tenancy**

Tenants sometimes wish to end a tenancy prematurely due to disputes with their housemates or dropping out of university, and this can create a lot of extra stress for a landlord. Assuming your tenancy agreement has been correctly designed, the student wishing to end the tenancy will be responsible for rent until a replacement is found. Hopefully the student will have a replacement in mind but if not you may need to help them locate a substitute tenant (you may need to follow the same procedure as outlined in chapter 5). Elite will handle any tenancy changes as they arise as part of our management services. We are able to use our database of waiting tenants to quickly fill the room, minimising stress for everyone.

Once a replacement has been found, the tenant must then be vetted in the same way as the start of the tenancy, requiring references and a guarantor.

### **Dealing with Parents**

Parents are more involved in the lives of their children than they were 30 years ago. Increasingly, parents are contributing to their children's living costs while they attend university, meaning that they are more involved with the decisions that their offspring make. As a landlord, this could lead to you having to deal with, for example, four students and four sets of parents which could easily become overwhelming. For some people, this is the main appeal of letting agents; Elite will communicate with your tenants and their parents where necessary, only talking to you when it is absolutely needed.

If a parent decides to talk to you about a problem their child is having with your property, this can be solved by a pleasant conversation in most cases. Remember to maintain a professional manner at all times as it will lead to a quicker and better outcome. Ensure you give realistic estimates for completion times of any work that needs doing to the property and be rational when dealing with any requests. If a parent starts to become abusive, you are not under any obligation to speak with them and say that you will only be dealing with the tenant from now on.

## **10. Moving Out, Check Out & Return of Deposit**

As mentioned earlier, the end of a tenancy can be a hectic time as the house needs to be prepared for the beginning of the new occupancy. As part of Elite's very extensive Tenant Information Pack, we list the end of tenancy procedure that we expect all of our tenants to follow before they move out. They will need to inform utility companies (including broadband providers and TV licensing) of their leaving date along with any meter readings to ensure they are not unduly charged. We also expect them to clean the property to an acceptable level and remove any rubbish. All of their possessions must be removed from the house and the fridge/freezer should be defrosted. Finally, we encourage students to return the garden and other outside areas to the tidy state they were in at the beginning of their tenancy. However, we recognise that this may not be possible in some cases and so will provide a gardener to maintain these areas free of charge as part of our comprehensive package.

As the landlord, your part in the tenancy changeover process is discussed in Chapter 6, but you must also evaluate the details of the deposit. When judging whether a sum should be deducted from the damage deposit, you must take account of "fair wear and tear". This means you need to put any damage into context. For example, you cannot realistically assume that all items in the house last forever so if something started the tenancy in very poor condition and ended in being unusable, it is unreasonable for you to claim this from the deposit. Likewise, it's unreasonable to claim for items that are known to only have a short lifespan, such as cleaning equipment.

Secondly, consider if claiming for the item will be worth the hassle. If you managed the deposit through a deposit protection scheme, you will need to write a statement justifying why you have claimed for an item. This process may take weeks and may not be worth the potential dent to your reputation with the University for an item that is only worth a few pounds.

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