



Tenant

Jargon buster

A

Acquisition Date	The date the RTM company took over legal responsibility for the running of the property
Agent	Person/company acting on behalf of the landlord. Responsibilities can include letting, rent collection and/or management of the property
Agreement Fee	A payment to cover the costs of drawing up a tenancy agreement
APR (%)	(Annual Percentage Rate) describes the interest rate for a whole year (annualized), rather than just a monthly fee/rate, as applied on a loan, mortgage loan, credit card, etc. It is a finance charge expressed as an annual rate
Appraisal	The process of developing an opinion of value for properties (usually market value). Property transactions often require appraisals because they occur infrequently and every property is unique
Arrears	Money that is due but remains unpaid by a tenant in whole or in part after the date specified in the tenancy agreement
AST	(Assured Shorthold Tenancy) A commonly used rental agreement where the tenant is an individual, has exclusive possession of all or part of the dwelling, be their main or principle residence & the Landlord must not be resident. Also the net rent must not exceed £25,000 a year. The contract covers a fixed period, so both parties know the date the property will be vacated

B

Block Management	Refers to agents acting on behalf of freeholders and leaseholds for blocks of apartments and flats. Responsibilities can include organising internal cleaning, garden maintenance, insurance and redecoration
Breach of contract	Either parties bound by a contract, fails to keep the contracts' terms and conditions
Break clause	(Release clause) Sometimes agreed between the landlord and tenant to be inserted into a fixed term agreement, typically if the initial fixed term is more than 1 year. This clause will usually allow either landlord/tenant to give written notice after a particular period of the tenancy, in order to end the tenancy earlier than the original fixed term

C

Capital (or Equity)	Capital is an asset that is less liquid than cash. It represents the amount of money you have put into a property/investment/deposit
Chattel	Fittings as in 'Fixtures and Fittings'

Client account	An account set up in a bank/building society or other financial institution specifically to hold money on a client's behalf only (always separate from the agent's Business account)
Common areas	Shared by all in an apartment block/estate. These may include car parks, entrance halls, gardens, lifts and corridors
Common household	A residential property that is self-contained and shared by two or more tenants. Tenants are usually jointly and severally liable under the tenancy agreement
Company Let	A tenancy let to a bona fide company
Contents insurance	This covers all items in the property which are not fixed to the property, for example your furniture, jewellery, appliances and clothing. Most of the available contents insurance policies will even cover things like the contents of your refrigerator and freezer! The cheapest type is indemnity insurance. This cover will replace exactly what was there before, so if you claim for a washing machine that was already three years old, you will be given a replacement washing machine that is three years old. The more expensive "new for old" option will give you a brand new replacement of whatever gets damaged or stolen, thus you would get a brand new washing machine. Contents insurance will cover you in most of the same situations as buildings insurance, but also includes theft - which must have been beyond your control.
Contract	Document of particulars signed in agreement between landlord and tenant
Contractual obligation	A binding obligation imposed on parties in a contract which, if not complied with, breaches the contract
Contractual term	The fixed period of time for which a contract is legally binding to those involved
Conversion	The sub division of a residential property into bedsits, self-contained flats or maisonettes
Credit search references	References requested for a tenant applying for rented accommodation. Many agents and individual landlords use external companies who will contact the applicant's employer, landlord and check the tenant's credit history, providing a report on their financial suitability to rent. This report forms part of the Landlord's decision to accept a tenancy
D	
Digital Signature	A method of signing a document electronically, instead of by 'wet' signature
Dilapidation	Damage to a property or its contents that exceeds acceptable wear and tear
Direct Debit	An application to the tenant's bank to make the rental payment as is required
Due Diligence	The process of performing duties to a professional standard
Duty of Care	An obligation owed to others, specifically landlords and tenants, to provide the correct advice regarding lettings and ensure the wellbeing and safety of those who may visit the property

E

EICR Electrical Installation Condition Report - A report produced by an NICEIC electrician which states the safety of the electrical installations in a property. *(The validity of the report for rental properties is 5 years)*

Execute a tenancy The finalising of a legally valid tenancy agreement, by dating and exchanging the Original (signed by the landlord) and the Counterpart (signed by the tenant) contracts. The date is legally considered to be the date on which the agreement was made

Extensions Contracts to let residential property are usually for a fixed term. At the end of that term an extension may be negotiated, which can be referred to as a renewal, an extension or a continuation

F

Fixtures and fittings Fittings are items usually provided in a letting that may include **curtains, carpets, blinds, light fittings, kitchen units and appliances**. In some cases it may also include furniture. It is advisable to check what is provided and not to assume that items will be provided. Fixtures are items that have become part of a building or land

G

Gas Safety Regulations The Landlord must ensure that a check is carried out prior to a let, and then annually, on all gas appliances, meters, pipework and flues to ensure they are safe. An authorised Gas Safety registered engineer must carry out the check and a copy of the record must be given to the tenant before the start of the tenancy *(and within 28 days of any record renewal)*

Grounds For Possession The reasons set out in the Housing Act 1988 (as amended) for applying to the courts for repossession of a property

Guarantor For property purchases: A third party who undertakes to ensure mortgage payments are made in the event that the borrowers fail to do so
For rentals: A person who is prepared to act on behalf of a tenant to guarantee rental payments and other obligations of a tenancy. The guarantor is liable for rental payments if a tenant is unable to pay them, which means the guarantor will need to have a regular income or sufficient assets. References or credit search references will usually be taken up on a guarantor, as well as the tenant, prior to a tenancy agreement being reached

H

Handover The date or time when tenants are allowed to begin their occupation of a property

Head lease This sets out the promises the landlord has made to their superior landlord. Where appropriate, the promises contained in this head lease will bind the tenant if he or she has prior knowledge of those promises

High rent tenancy	Tenancy agreement where the rent is over £100,000 per annum (<i>also known as a contractual tenancy</i>)
Holding Deposit	This is an amount that a tenant will be required to pay when applying for a tenancy of a property. If the tenancy does not proceed because the tenant pulls out or the references are unacceptable, this deposit is often retained by the agent to cover costs. Assuming the tenancy proceeds, the amount is normally deducted from the first months' rent
Hold over	If a Landlord allows its tenant(s) to remain in occupation of the premises after tenancy/lease expires, and charges rent, usual inference is that both parties intend to create a tenancy. If new tenancy arises with nothing in writing, it's likely the tenant will acquire security of tenure under the Landlord and tenant act 1954
Houses in Multiple Occupation (HMO)	A standard HMO is created if there are three or more occupants who are not related, living in a property (including children) If the property is arranged over three floors and is let to five or more occupants who are not all related, then the landlord will need obtain a licence from the local authority and comply with conditions of the licence before letting the property. Some local authorities impose additional licensing for HMO's and set their own criterion. A landlord should always check with their local authority before letting a property. Other types of HMO exist, such as properties divided into bedsits with shared facilities or certain blocks of flats
Housing Act Tenancy	This applies to tenancies which fall within the scope of the Housing Act 1988 & Housing Act 1996. <i>Tenants have all the protected rights of a Housing Act tenancy which came into effect on 15/01/1989</i>
Housing Health & Safety Rating System	(HHSRS) Introduced by the Housing Act 2004 for local authorities to assess housing conditions in England and Wales. It is a landlord's responsibility to ensure the property being let is safe for the occupants and visitors

I

Initial term The first period of the tenancy (*e.g. 1 year tenancy agreement*)

Inventory Comprehensive report of the contents and state of condition of a property, as well as its fixtures, fittings and outdoor space. A tenant should be checked into the property at the start of the tenancy and checked out of the property at the end of the tenancy using the same inventory

J

Joint & several liability Where there is more than one adult making up "the tenant" the tenancy will say they are "jointly and severally" responsible, meaning each person will be responsible for complying with the obligations under the tenancy agreement, both individually and together. The landlord may seek to enforce the obligations and claim damages against any one or more of those individuals

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L

Landlord	The person(s), company or body that has the right to let the property
Land Registry	They register the ownership of land and property in England and Wales
Lease	A legal document the freeholder issues, which grants tenure for a given period of time. It sets out the insurance and repair obligations of both parties. A tenancy agreement can also be called a lease, but a lease usually refers to a longer let or an agreement between a superior landlord and the landlord
Lessee	The person taking the lease, usually the tenant
Leasehold Estate	Ownership of a temporary right, to hold land/property in which a lessee/tenant holds rights of real property by some form of title from the Lessor/Landlord. Although a tenant does hold rights to real property, a leasehold estate is typically considered personal property
Lessor	Refers to the person responsible for granting a lease, usually the landlord
Letting	An agreement to let a particular property

M

Management company	Leasehold property - a management company will usually be set up to administer the affairs of a block of leasehold properties. Typically, management companies in this context are RMC's (Residential Management company) or RTM's (Right to Manage company). The management company, or more usually their agent, deal with the day-to-day running of the property, repairs and renewals. They collect a service charge from the property owners (normally shareholders in the management company) to pay for the upkeep and maintenance of the building and for the administration of this service
Managing agent	A professional/company responsible under an agency agreement for the maintenance and management of a property
Managing agents	An agent authorised to manage the business affairs in connection with the property of another such as a landlord, an RTM, an RMC or a developer

N

Non-Housing Act tenancies	Residential tenancies that do not fall under the provisions of the Housing Act 1988 and Housing Act 1996 are sometimes known as Non-Housing Act Tenancies
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Notice period The amount of notice that the landlord must give the tenant to end the tenancy and of which the tenant must give the Landlord. Usually a minimum of 2 months is sufficient

O

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 his sole or principle residence

P

Parties Landlord and tenant (and possibly a guarantor) who come together to sign a tenancy agreement are collectively known as 'parties' to the agreement

PCM 'per calendar month' (*there are more than four weeks in a calendar month*)

Periodic tenancy (Continuation) Once the fixed-term of a tenancy has expired, however, unless a new fixed-term is agreed to, all tenancies automatically become periodic tenancies. These are based on the rent payment period - usually monthly or less commonly from week to week etc. The periodic tenancy can then continue on until the landlord or tenant, gives notice

Premises Part(s) of a building which may include boundaries, fences, gardens and outbuildings, belonging to the Landlord unless they have been specifically excluded from the tenancy. When the tenancy refers to part of a larger building, the premises include the use of common access ways and facilities

Prescribed information This refers to specific information that the Housing Act 2004 Sections 213(5) (6) and The Housing (Tenancy Deposits) (Prescribed Information) Order 2007 require to be provided to the tenant within 30 days of the deposit having been received

Private rented sector The industry concerned with the letting of residential property owned by private landlords

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R

References Allows a landlord to check a tenancy applicant's suitability to be able to pay the rent and also the applicant's track record in earlier rentals. This often involves contacting previous landlords, the present employer (or accountant if self-employed). We use the services of an independent referencing company on behalf of the landlord

Resident landlord Where the Landlord occupies part of the dwelling as his main or principle home and rents the rest of the property to a tenant

Right to Rent Checks are now being carried out on all adults (aged 18+) who will be applying to reside in any property, regardless of their nationality. This includes people who will live in the property but are not named on the tenancy agreement who will live in the property as their only or main home

Ring fenced Refers to money held in such a way that it can only be used for a specified purpose. For example, a tenancy deposit can be used only for the purposes set out in the tenancy agreement

S

Standing order An instruction that the tenant makes to their bank to make a regular payment. Normally rental payments are made each month and the instruction will state the number of payments or will continue to be paid until cancelled by the tenant. A landlord or agent cannot cancel a standing order mandate, only the person whose bank account the funds are coming from

Statutory obligations Requirements and obligations placed on landlords and/or their agents by Acts of Parliament i.e. Law of the Land

Statutory periodic tenancy Statutory periodic tenancy's are created when a fixed term AST (Assured Shorthold Tenancy) comes to an end and the tenant remains in the property under the same terms and conditions as the original agreement. A statutory periodic tenancy will run from month to month (or quarter to quarter depending upon the basis on which the rent is paid) until formally ended

Studio apartment/flat A flat with a bedroom and living room all in one, either with a separate kitchen or corner of the main room as a kitchen, with a separate bathroom and toilet

Subject to contract Signifies that an agreement is not yet legally binding

Sublet The action of a tenant letting accommodation to be occupied by another person for a lesser term

T

Tenancy agreement A legally binding document containing details of rental terms, sometimes referred to as a rental agreement or a lease. It will state the details of the parties (the landlord and tenant), the rental price, the amount of the deposit and the property address, along with the covenants and obligations of the let

Tenancy at Will A tenancy at will is often granted when the landlord and tenant are in negotiations regarding a new lease. A tenancy at will means that the tenant can move into the property whilst negotiations continue. For example, they may have to vacate their current premises as a result of the expiration of a rental contract. The lease can be finalised at a later date

Tenancy Deposit Scheme (TDS) This is an insurance based scheme run by The Dispute Service Ltd. for the protection of tenancy deposits and the resolution of disputes between landlords, agents and tenants concerning the return of deposits at the end of a

tenancy. It is one of three schemes approved for tenancy deposit protection (others are My deposits and Deposit Protection Service)

Tenant The person(s), company or organisation that is entitled to occupy a property under the terms and conditions of a tenancy agreement

Termination Refers to the ending of a tenancy

The term of tenancy This refers to the length of a tenancy. Most initial tenancy agreements are for a minimum of six months, although they may be shorter/longer

U

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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

V

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W

Without Prejudice During the pre-action stage of a civil claim the proceedings and even during the trial itself, there will be opportunities for both sides to negotiate. Any negotiations that take place as a part of a genuine attempt to settle a claim are implied as being '**without prejudice**'; however, it is preferable to mark any correspondence accordingly, or to clarify that you are proceeding on a 'without prejudice' basis at the start of a meeting or telephone negotiation

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