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## Future Proofing Your HMO

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The type of tenant (Family, Single, HMO, Student), length of tenancy, whether pets or smoking have been permitted, the extent of the damage as well as the age and quality of the item are all factors to be considered when determining what constitutes fair wear and tear.

The landlord is NOT allowed 'betterment' – in other words they cannot replace old items with new at the full cost to the tenant, an allowance must be made for depreciation.

The landlord's contents, décor, fixtures and fittings all have a typical life expectancy as indicated in the table below, given that such items are of a medium quality at the start of the tenancy. These figures provide a broad overview of life-span, but should only be used as a guideline when assessing replacement values or compensation by the tenant to the landlord at the end of the tenancy.

#### **DÉCOR LIFE SPAN**

<i>Hallway/landing/stairs</i>	<i>2-3 years</i>
<i>Dining Room</i>	<i>Approx. 6 years</i>
<i>Kitchen/bathroom</i>	<i>2-3 years</i>
<i>Living room</i>	<i>Approx. 4 years</i>
<i>Bedroom</i>	<i>Approx. 5 years</i>
<i>Budget Carpet</i>	<i>2 – 3 years</i>
<i>Medium quality carpet</i>	<i>4 - 8 years</i>
<i>High quality carpet</i>	<i>Up to 15 years</i>
<i>Budget furniture</i>	<i>2 – 3 years</i>
<i>Medium quality furniture</i>	<i>4 – 8 years</i>
<i>High Quality furniture</i>	<i>Up to 15 years</i>

To calculate the depreciation costs, the agent needs to divide the replacement cost of the item by the life expectancy in months, to establish the rate of depreciation per month. Multiply this monthly depreciation rate by the number of months the item has been in service to give you the total depreciation. Subtract this depreciation from the replacement cost to give you the depreciated value.

In the absence of proof of purchase, an estimate will need to be made on the age and potential value of the product by referring to the original inventory. The type and quality of the product is also taken into consideration to take account for warranties and guarantees (eg. 10 year guarantees) as well as the usage.

A family of four is likely to use a washing machine more often than a professional couple and therefore this needs to be considered and

reflected in the decision. Likewise a medium quality carpet with a professional couple living at a property would last for typically 5 years, whereas a family occupancy would reduce the lifespan to typically 3 years.

It is worth noting that any work carried out during the tenancy has to be taken into consideration. For example, if a property was described as dirty at the check in and either the agent or landlord arranged for professional cleaning to be carried out after the check in, then the tenant is required to ensure that the property is vacated in a professionally clean condition.

The landlord or agent needs to ensure the invoice for the professional clean at the check in is provided although the tenant must be given the opportunity to clean the property to a professional standard themselves at the end of the tenancy and provide such proof.

### **WEAR AND TEAR EXPLAINED**

Unsurprisingly, there are no exact rules on what is 'reasonably acceptable'. Is the carpet just well used or irretrievably stained? What about the cooker that looks as if it has produced a good three meals a day, every day?

The House of Lords defines fair wear and tear as:

**'Reasonable use of the premises by the Tenant and the ordinary operation of natural forces'**

### **EXPECTATION**

The longer the tenancy, the more natural wear. Common sense, but think, for example, how much wear a carpet in your own home shows after one, two or three years. Consider what its condition was to begin with? Was it brand new or has it already seen a few tenancies come and go? Take account of all these factors.

The more bedrooms and occupants, the higher the wear and tear in all the common parts - sitting room, passages, stairs, bathrooms and kitchens. Scuffs and scrapes are unavoidable in normal life. A property occupied by a singleton will see far less wear than five students, so bear this in mind when it's time for tenants to check out.

Another consideration is the quality or fabric of the property itself. Many new builds tend not to be quite as robust as older properties. Walls, partitions and internal painted surfaces tend to be thinner and therefore likely to suffer more stress, particularly in higher footfall areas of the property. This inevitably means that there is a greater need for redecoration at the end of the tenancy period.

## **PREVENTION**

There are a number of ways in which wear and tear can be kept to a minimum. Firstly, keeping tenants happy; renewing their tenancies or allowing them to roll on to a Statutory Periodic Tenancy to reduce tenant turnover means that you will not be redecorating/renewing the property as frequently as you would for shorter tenancies.

Secondly, if tenants are in for longer periods of time, say two years plus, try to freshen up the property at regular interims. For example, you could change the carpet or paint a room. Strategic upgrades or enhancement of the property on a regular basis helps to maintain the standard of the property and reduces the need for refurbishment at the end of the tenancy period.

Finally, set your expectations of the tenants from the outset. Remind them that regular cleaning and maintenance can keep a property in good condition. Perhaps conduct a regular check every three months or so, particularly early on the tenancy, to check that everything is in order. Even pay for communal area cleans yourself periodically.

Wear and tear is a topic that is open to interpretation. Ultimately, as landlord, your aim is firstly to minimum the level of wear and tear in your properties and secondly to ensure that you have covered all bases in the unlikely event of a dispute with your tenant over the return of the deposit. Remember health and safety and local HMO license regulations.

## **BATHROOMS**

**WALL PAINT** – Water based paint is being used so the condensation is causing the paint to peel along with water splash from persons showing.

**Advice** – Tile walls from floor to ceiling or paint with waterproof paint

**CEILING PAINT** - Water based paint is being used so the condensation is causing the paint to peel along with water splash from persons showering.

**Advice** – Use waterproof paint.

**EXTRACTOR FAN** – They do not seem to be powerful enough to remove the water humidity from the use in new builds versus HMO usage.

**Advice** – Add extra vents where possible, maybe a simple door vent?

**TILING** – Most properties are half tiled.

**Advice** – Tile from floor to ceiling. Save money in the long run and possible voids.

**SILICONE** – The material has tiny air holes and mould cannot be removed from within the Silicone.

**Advice** – Wipe the grout and seals down weekly and Silicone annually.

**LIME SCALE** – Lime scale areas. Toilets and sanitary ware needs to be cleaned weekly with the correct lime scale product by the tenant. The black colouring in the toilet bowl is from lime scale gathering.

**Advice** – Scope out water, remove lime scale and clean often.

**SLIP MATS** – Place slip mats in the bath where showers are mounted.

**Advice** – If you do not have slip mats, inspect the bath periodically as repeat dropping the showerhead in the bath cracks and splits the unit.

## **KITCHEN**

**SPLASH BACKS** – Stainless steel covers are only behind the oven to catch spray and fat spits from cooking. It ruins the paintwork and rots if over sprays.

**Advice** – Splash backs do not extend to the left or right of the oven wide enough. Tile or extend with stainless steel.

**TILING** – Splash backs are cut short behind the sinks and the remaining paintwork catches the splashes. Ruining the paintwork.

**Advice** – Tile the remaining paintwork behind the sink and work surface.

**OVENS / EXTRACTORS** – Both attracting embedded carbon and grease from the lack of cleaning and rolling tenancies.

**Advice** – Have ovens and hobs professionally cleaned now, and have tenancy agreements to include the oven needs to be left in the same professional clean condition on exit or a deposit deduction will be claimed.

**BINS** – Behind the bin catches all the overspill and mess on the paintwork

**Advice** – Paint areas around bins and tables with wipe down paint

## **HALLWAYS**

**WALLS** – Heavily used due to HMO traffic.

**Advice** – Apply durable paint to maintain. Expect handprints due to volume of traffic and associated usage unless rails are supplied on both side of the staircase.

**CARPETS** – HMO properties have more traffic than a family abode, which they were originally designed to be. Carpets are fraying and wearing causing potential trip hazards.

**Advice** – Fit wider divider plates. Choose darker colors that do not show up stains and marks as easily. At the entrance, place mats. Consider rugs.

## **BEDROOMS**

**BLUE TAC** – This is damage unless tenants obtain permission.

**Advice** – Tell tenants to apply for permission and Blue Tac and White Tac will leave oil based marks requiring repainting.

**PIN HOLES** – This is damage unless made good.

**Advice** – Provide picture hooks or tell tenants to apply for permission.

**WASHING WALLS** – This causes damage, leaves marks and spears down the wall as the paint is emulsion and water based.

**Advice** – Do not wash walls. Tenants should be prepared to repaint as good or expect a deposit deduction.

**CARPET BURNS** – Cigarette burns, hash pipes, irons and hair tongs are the common suspects for burn marks. This is damage. Smoking may even breach the tenancy agreement.

**Advice** – Mount mirrors in bedrooms beside chest of draws or other units where plug sockets are and items may be attached. Supply ironing boards and no smoking notices.

**MATTRESS PROTECTORS** – Consider providing mattress protectors to extend the life of the item.

**Advice** – It also is more hygienic and adds weight to any claim you may make for soiling.

## **GARDENS**

**GRASS & PAVING** – Keep kempt and in a good condition. Remove all debris and rubbish before new tenancy

**Advice** – Have periodical gardening and weeding

## CLEANING

Communal areas are often neglected, as each HMO tenant leaves it to the other. Conditions can decline and health and safety risks introduced. It is an endless down hill spiral.

**Advice** – Consider Bi Weekly or Monthly Communal cleans. Have the halls, kitchen and bathrooms cleaned and feedback regarding the occupancy conditions. It is a USP as well over competition.

## INVENTORY

A well written, and detailed inventory sets the benchmark for the new tenancy. If you can tell and show the tenant the condition at the beginning of the tenancy you can easily prove it at the end and prevent disputes.

Is your written inventory good enough to stand up on its words alone if disputed? Words alone are weak. Your inventory should support its words by clear pictures or a high quality film.

Ensure interim inspections are carried out.

**Advice** – Use a company that is APIP or AIIC accredited. Is a free inventory really free if supplied in the management fee. How good is the inventory and who is it completed by.

## TENANCY VOIDS

Back to back tenancies, do not allow the property to be prepared for the new tenants so increases the likely hood of unhappy tenant's as faults need fixing and items replaced.

**Advice** – Allow time for the check out to be completed, for maintenance to be completed and the property prepared.

A clean and tidy property = a happy tenant.