



Portsmouth
CITY COUNCIL

Renting out a room in your home

Guidance for tenants
and leaseholders



Increase your weekly income by renting a room in your home.

If you decide to rent out a room in your home Portsmouth City Council's responsibilities to you, our tenant, remain unchanged and repairs will still be carried out. Your rights as a tenant will not change.

Introduction

This document provides guidance to Portsmouth City Council tenants and leaseholders who wish to rent out a room in their home.

Increased costs of living and benefit changes are likely to mean that making ends meet will become more difficult, so renting out a room may be an option to provide you with extra income.

What is a lodger?

A lodger is someone who rents a room from her/his landlord, lives in their home and shares their living space. Some lodgers receive services such as meals, cleaning or laundry as part of their agreement.

A lodger is not the same as a non-dependent. A non-dependent is someone who normally lives with you such as an adult son, daughter, relative or friend.

What's the position for tenants claiming means-tested benefits?

Income from lodgers is currently taken into account for means-tested benefits and the first £20 is ignored. The lodger can claim housing benefit in their own right.

However, this may alter should there be further changes to the benefit system. This could make taking in a lodger a more attractive option, particularly if you are affected by the under-occupancy rule.

Advantages to you

The prospect of becoming a landlord may initially seem quite daunting but with our support you can avoid most pitfalls.

Advantages include:

- If you are of working age, on housing benefit, you currently won't be subject to a size criteria reduction for any bedroom which is occupied by a lodger
- You will receive some extra income to help make ends meet



Can I rent out a room in my home?

Yes, as a council tenant or leaseholder you can but these are key points you need to remember:

- If you are a tenant you will need to inform your housing officer
- If you are a leaseholder and have a mortgage you should check with your mortgage lender first
- Your insurance may be affected so check with your insurance company. Your tenant's contents insurance policy will not cover your lodger's possessions and they will need to arrange their own policy to cover their contents
- If you receive 25% single person's council tax discount you must inform the council immediately when another adult moves in
- If you claim benefits you should seek advice before deciding if having a lodger is right for you

Resident landlord and lodgers

This document is aimed at tenants and leaseholders who wish to rent out a furnished room or rooms in their only or main home.

The lodger of a resident landlord occupies their room on what is called an excluded licence. This applies where landlords share essential facilities with their lodger, such as bathroom and/or kitchen.

This form of licence ensures that the landlord's security and wellbeing in their own home is considered before that of their lodger. No-one entering the landlord's home can claim protection from eviction.

Basic tips for your safety while looking for a lodger

- Get a work or other landline number from the prospective tenant so you can confirm the viewing by phone
- Make sure you have their full name
- Let a friend know what time you are conducting the viewing and what time you expect it to finish
- During a viewing don't leave any sensitive documents on display such as bank statements, utility bills, credit cards and passports
- Once you have found a suitable tenant, check their references and offer them the room dependent on a satisfactory response from referees
- Always have a written agreement between you and your tenant which will protect you both and help avoid any misunderstandings

How do I find a lodger?

- See below for a sample advert for you to use as a guide. You can display this in housing options at the Civic Offices and your area housing office
- Advertise in local shops and newspapers
- Word of mouth – speak to friends and neighbours

You may find these websites useful:

- www.roomster.co.uk
- www.easyroommate.com
- www.spareroom.co.uk

You can advertise for weekday lodgers on specialist websites such as:

- www.mondaytofriday.com
- www.bedandfed.co.uk

Do not feel obliged to take the first person that gets back to you. Take time to consider:

- Do your lifestyles clash or are they compatible, for example, do either of you work shifts?
- Will the lodger be in the house when you are out?
- Do they like your pets?
- It's also important to think about your personal safety issues, there are some helpful tips on www.spareroom.co.uk. Search under info and advice, for landlords, safety tips for advertisers.

Sample advert



Single /double room to rent

Road name (not house number), area

Type of property and number of bedrooms

Any requirements, e.g. working, non-smoker

Rent – what is included, bills, meals etc.

Furniture provided

Contact name and tel/email address

What should I do next?

Let your area housing office know you are considering taking in a lodger, then complete the enclosed form and hand it in to your local office.

We recommend that you obtain references where possible from your prospective lodger.

You don't have to produce a written letting agreement but we advise you to. You can draw up your own agreement, but we recommend that you follow a template. We have supplied a template agreement which you may like to use.

The agreement must be signed by both you and the lodger.

An agreement will usually include:

- The duration of the letting
- The amount of rent the lodger will pay, including any arrangements for review
- How much notice each party is required to give at the end of the letting
- What meals or services will be provided, if any

Other things an agreement might include are:

- Which areas of the home the lodger can have access to
- Use of cupboard space and washing machine
- Whether the lodger can have overnight guests
- Basic rules on coming in late or leaving early

Money and how much I can charge?

You should normally ask for rent in advance, for example, at the beginning of the month if rent is paid monthly.

Here are some tips for working out what to charge:

- Check rental rates for similar properties in your area on **www.sparerooms.co.uk**
- Look at local adverts to find out the going rate
- Take into account heating costs for an extra room
- Under the government's 'Rent A Room' scheme you can let out a room and earn up to £4,250 a year in rent without paying income tax as long as you live in the same property and the room is furnished. There is a free guide on **www.spareroom.co.uk/rentaroomscheme**

We recommend that your lodger pays their rent weekly by standing order as it avoids any awkwardness about asking for the rent and will help you manage your outgoings. If your tenant pays weekly by cash you should provide a rent book.

You are entitled to take a deposit before the lodger moves in, to act as security in case they leave the property owing you money, or to pay for any damage. The amount of deposit is negotiable, but a month's rent as deposit is normal. If you take a deposit, we advise that you retain the deposit in a separate bank account so that it can be returned easily at the end of the letting.

In a written agreement, you should clearly state the circumstances under which you may withhold part or all of the deposit at the end of the tenancy.

We recommend that you make an inventory on the day the lodger moves in which you can check items against when they leave your home. You should both sign the inventory and retain a copy, then if your lodger causes any damage, you have a record of the item's original condition. You can take photographs of the interior of the accommodation at the beginning of the tenancy as this is a useful way of recording the room's condition, in case of any later dispute.

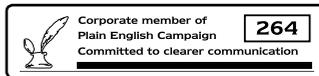
Further advice

This booklet is intended as a guide and a useful source of information. It does not provide an authoritative interpretation of the law; only courts can do that. Nor does it cover every case. If you have any doubt about your legal rights or obligations we advise you to seek information from a Citizens Advice Bureau, a law centre, or to consult a solicitor.

If things just don't work out

As resident landlord you can ask your lodger to leave by giving reasonable notice; you do not have to obtain a court order. Your area housing office would not get involved with this, however they can offer you advice if you need it.

When giving notice, remember that it may take a while for your lodger to find alternative accommodation so give them as much time as possible. We recommend that you give notice in writing.



You can get this Portsmouth City Council information in large print, Braille, audio or in another language by calling 0800 032 1531.