

## Setting rent

This information is for private landlords.

Landlords are entitled to receive rent in full and on time. Your [tenancy agreement](#) sets out how and when tenants must pay rent and rates.

Make sure your tenants are clear on these arrangements to avoid problems.

## Deciding how much rent to charge

You're free to set rent at the level you choose, unless your property is:

- a [protected tenancy](#), or
- [subject to rent control](#)

When deciding how much rent to charge, you should consider:

- costs such as your mortgage, rates and insurance
- the overall condition of the property and furnishings
- features such as a garden or parking space
- average rent for similar local properties

Some tenants will rely on [Housing Benefit](#) or [Universal Credit](#) to help with rent and might not be able to afford a higher rent.

You can choose whether to take a tenancy deposit. You cannot ask for more than one month's rent as a deposit.

If you take a deposit, you must:

- give your tenant a receipt (if the deposit is paid in cash)
- [protect the deposit](#) in a deposit protection scheme

## Rent in advance

You can ask tenants to pay rent in advance as well as a deposit. Generally, landlords ask for one month's rent in advance.

Talk to your tenants about they plan to pay rent, including any shortfall between benefits and the full rent amount.

Remember that [Universal Credit](#) and [Housing Benefit](#) are paid in arrears. Make it clear to your tenants that they will need to pay rent in advance until benefits payments begin.

## Getting rent payments right

Talk to your tenants about how rent should be paid. You should consider:

- whether rent will be paid in cash or by bank transfer
- whether benefit payments will go to the tenant or landlord
- how any shortfall between benefits and rent will be made up
- how you will record payments and any arrears

If your tenants pay rent in cash, you must give them a receipt when they make the payment.

Keep in mind that benefit payments may be paid at different intervals, either every four weeks or monthly.

Tenants struggling to make up a rent shortfall can apply for [Discretionary Housing Payment \(DHP\)](#).

Remember that excessive fees for late or non-payment of rent could be considered unfair.

## Responsibility for rates

Find out more about rates liability to get payments right from the beginning.

Be clear from the start of the tenancy who is responsible for paying rates. [The law says](#) that, unless your tenancy agreement says otherwise, rent includes an

amount for rates.

In rented properties, either the landlord or tenant may have to pay rates.

Rates liability depends on:

- what your tenancy agreement says and
- what the law says

[Land & Property Services \(LPS\)](#) is the agency responsible for collecting rates. If rates are not paid, LPS will investigate and pursue the person liable for rates, even after the tenancy has ended.

## More advice

- [Universal Credit for landlords](#)
- [Housing Benefit for landlords](#)
- [Taking deposits](#)

## Footnotes