

Preparing for Disputes

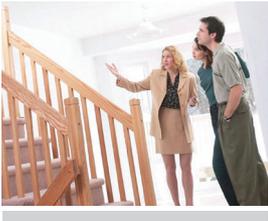
Landlords and agents can make necessary deductions to the deposit if they believe the Tenant has broken the terms of the contract. If the Tenant does not agree with the proposed deduction then the Landlord or Agent must provide evidence to prove their entitlement.

If you offer no evidence or poor evidence then the Adjudicator must award the deposit amount to the Tenant.

Preparing for deposit dispute starts before the Tenant moves in, not when the Tenant moves out.

This guide identifies the key information that Landlords and Agents should provide to substantiate their claim of withholding all or part of the deposit in dispute resolution.

10 tips to get it right:



At the beginning

1. Tenancy agreement

- a) This is the legal contract between you and your tenant, therefore ensure that it is fair, clear, concise and well worded. Make sure that your tenant knows what is required of them. Badly worded tenancy agreements are a leading cause of Landlords and Agents losing disputes.
- b) Include clauses within the tenancy agreement to outline the deposit amount and reasons for possible deductions e.g. cleaning standards at the end of tenancy and failure to pay rent or bills.

2. Inventory reports

The inventory provides a complete record of fixtures, fittings and decor allowing you to record the standard of the property before your Tenant moves in.

- a) At check in we recommend that both you and your Tenant's are in attendance to sign and date the inventory.
- b) Besides an accurate list of contents, a good inventory will thoroughly describe the condition and cleanliness of the contents and the property itself.
- c) Be sure to compile the inventory after the previous Tenant's have left and removed their own possessions.
- d) The written word is key, however photographic evidence should be used to support your inventory. Digitally dated photographs can be incorporated in the main inventory along with indexed video evidence. Any images which are not included within the main inventory should be signed and dated by you and your Tenant. Remember to keep copies.
- e) It is advisable to use a professional inventory service to do an inventory on your behalf.

3. Invoices and receipts

- a) Keep receipts for proof of purchase for anything which is bought for the property at the beginning of the tenancy in the event of any damage. Receipts may be used to show the original value and assist in your calculation if you need to withhold any portion of the deposit.



During the tenancy

4. Rent Account Statements

- a) Keep accurate records of rent received from Tenants and any unpaid rent.
- b) Have an arrears procedure and ensure that you inform the tenant in writing of any lapses. Any penalties should be fair and proportionate.

5. Invoices, receipts, utility bills for charges incurred during the tenancy

- a) Document payments such as cleaning charges, damages, repairs etc with invoices and receipts.
- b) Costs for changes made to the property.
- c) Keep bank statements as evidence of costs incurred.

6. Correspondence

- a) Keep copies of any correspondence such as emails and letters between you and your Tenant.
- b) Record any witness statements in writing.

7. Regular inspections during the tenancy

- a) Ensure regular visits to the property,
- b) Fix and repair problems,
- c) Discuss and resolve issues,
- d) Back up conversations with written confirmation.

8. Reminder to the tenant

- a) Remind the tenant of their obligations under the tenancy agreement before it ends, preferably in writing.



At the end of the tenancy

9. Check out report

The check out report compares damage, cleanliness and the overall condition of the property at the end of the tenancy with the inventory and check in reports from the start of the tenancy.

- a) Ensure both you and your Tenant's attend the check out; the tenant should be packed and ready to leave.
- b) This is a good time to highlight any concerns. Use the check in as a reference and ensure Tenant's comments are noted. If you annotate this by hand, ensure that it is legible.
- c) Use the same descriptions in the report as with the check in report.
- d) Take photographs again, sign and digitally date.

10. Consider fair wear and tear

Remember to allow for fair wear and tear at the end of the tenancy. Consider what is wear over time, the age of items and what is actual damage. Take into account the length of the tenancy, the number and age of occupiers.

Note: This checklist is for guidance only and does not guarantee a successful ADR result. The Adjudicator's decision is impartial and will depend on the evidence submitted by both parties and the individual circumstances of the dispute.