

Title:

Buy To Let - A Change For The Better

Word Count:

509

Summary:

Life is set to become a whole lot easier for UK landlords if the findings of a Law Commission report, currently coming up to final draft stage, are to be implemented.

If you own a buy-to-let property, or are considering joining the growing band of landlords, it is important that you're aware of proposed new legislation regarding tenancy agreements. These are designed to remove some of the headaches associated with the legal aspect regarding rental agreements.

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Keywords:

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Article Body:

Life is set to become a whole lot easier for UK landlords if the findings of a Law Commission report, currently coming up to final draft stage, are to be implemented.

If you own a buy-to-let property, or are considering joining the growing band of landlords, it is important that you're aware of proposed new legislation regarding tenancy agreements. These are designed to remove some of the headaches associated with the legal aspect regarding rental agreements.

It appears that there is a steadily growing demand for rental property with many new investors coming in to the market. This has resulted in an increasing number of specialized lenders offering comprehensive buy-to-let mortgage packages. So, there's a wealth of advice and funding available should you wish to enter the market, and now it seems as though the actual rental contracts are set to become a whole lot simpler too. Many landlords and tenants would agree that this change is long overdue.

These contracts are legal documents between landlord and tenant and at present, unbelievably, there are over twenty different types available. It appears that a

great many of them are based on agreements which were originally brought into force over a century ago, with clauses and phrases which are totally out-dated and largely irrelevant. However, they are legal contracts and, as such, can still be used.

The more usual contract currently which is used by the majority of private landlords is called the "assured shorthold tenancy agreement". This has been in use since 1988 and has specific rules with regard to rental levels, liability for damage, rules regarding pets, parking, etc., the problem with this agreement is that, whilst it is commonly used as a basic agreement, landlords have written in an assortment of terms and conditions and there are now many varying versions of this too.

If the Law Commission's proposals become law, then the number of these contracts will be reduced to just two. One will be specifically designed to be suitable for the requirements of social housing tenants. This will be referred to as a "secure contract". The other is relevant for private landlords and will be known as a "private standard agreement".

It appears that it won't be mandatory to replace the old assured shorthold tenancy with new ones, but it would seem to be sensible to do so. In the event of any dispute with regards to the tenancy, the courts would obviously be more in tune with the clear and precise terms of the new "private standard agreements". New rules regarding repossession of the property will come into force too. Whilst at present tenants have the right to hold the tenancy for six months, the new rules will allow more flexibility should the landlord be placed in a position where it is imperative that the property should be placed on the market, for instance.

This "tidying up" will make life a whole lot more simple, both for the current and prospective landlord and promises to be a real change for the better.