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Tenant Selection for Landlords



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Getting the right tenant for your property can seem like a disproportional amount of work before you actually get started, but the good work will pay off throughout your tenancy. It's especially important to make sure you pick the right tenants if you're hoping to let long-term, or you're letting to social tenants who, very often, can be in your property for a considerable amount of time.

Whilst most agents will help you when looking for suitable tenants, you can do the process just as well yourself if you know the right steps. Follow our guide below and you should have no problem picking out the right tenants.

First Impressions

First impressions count for a lot in the property market, and this is the reason why most landlords like to perform viewings themselves. During a viewing you can gauge a little bit about your tenants lifestyles and interests based on their comments while being shown around, and you can also ask about things like work and whether they have children or a partner who they'll likely be living with.

Taking advantage of a first meeting is really key: at this stage most tenants will only have a vague idea of whether they'll like the property and may feel more at ease than in an interview or reference-check situation. Make the most of it while you can!

Basic Information

Before undertaking any formal reference or credit checks you should endeavour to collect some basic information from your tenants. Question your tenant's current employment situation, their living situation, whether they have children, pets and whether they are smokers or if they have any particular disabilities.

In some cases, such as if your prospective tenant is long-term unemployed or a smoker, it may be that they are unsuitable for your property and you should not proceed with a reference or credit check. In other cases, such as if your tenant has children, it's about suitability and this is something you need to discuss. Landlords are required not to discriminate by age, gender or disability so be sure to accommodate wherever you can.

Reference Check

If you're satisfied with your initial conversations with your tenants, the next step is to put together a reference check. There are two ways you can go about this: you can either do the checks yourself, or you can ask a professional company to secure the references for you. Either way, you need to check that your prospective tenant is indeed who they say they are and, ideally, to get an employer's reference and a previous landlord's reference.

It's perfectly possible to do this yourself by asking your tenant for contact information and getting in touch with their referees yourself. Using photo ID and a recent bank statement, you can also get some security about your tenant's identity. However, services like the NLA's reference check will do the same for a small fee.

You can find the NLA's reference check here: <http://www.landlords.org.uk/services/nla-tenant-check>

Credit Checks

The next hoop your tenants should jump through is a credit check. In some cases, asking for a deposit is a simple enough credit check and many landlords have found their prospective tenants unable or unwilling to pay a refundable holding deposit, which should set off alarm bells.

You should also run a credit check through a screening service on your tenants, which will provide basic information about credit card payments, previous property ownership and loans taken out. It can be extremely useful for landlords to see the information and, while it can be costly, it's an essential part of choosing the right tenants.

A Good Problem to Have

In many cases, landlords will actually be faced with a good problem: two prospective sets of tenants who have equally positive credit reports and offer good prospects for your let. The question is, how do you decide between the two?

In this case, it's good to have a frank conversation with each tenant and let them know the situation. Tenants will be much more open about their intended term and may even offer to pay you a little more rent if they really want the property. It's also common that one tenant has another offer elsewhere and can happily back down, making the decision for you.

Tenant screening is a set of hoops to jump through, and if you combine your good judgement about basic lifestyle factors plus a formal reference check and a credit check, you should be in a good position to find the perfect tenants.