

Glossary of terms

Assured tenancy

This type of tenancy agreement is usually issued by a housing trust or housing association. They offer some security in that as long as you do not break the terms of the tenancy agreement you may continue to live in the property.

Assured Shorthold Tenancy

An Assured Shorthold Tenancy is the most frequently used tenancy agreement by landlords when letting residential properties. This type of tenancy agreement is also referred to as an 'AST' or 'Shorthold Tenancy'.

Buildings insurance

Insurance against the damage or destruction of the permanent structure of a property.

Contents insurance

Insurance to cover the damage or loss of items and belongings within a property.

Contract

A legal document that details the agreement between buyer and seller that binds both parties to complete the transaction.

Credit check

A search most commonly invoked by a lender through a specialised company to ascertain if an individual has County Court Judgements (CCJs) or a bad payment history.

Deposit (for renting a property)

A sum of money (usually a month's rent in advance) paid to the landlord (or agent) of the property, which is returned at the end of the tenancy, subject to the condition of the property.

EPC

Energy Performance Certificates (EPCs) give information on how to make your home more energy efficient and reduce carbon dioxide emissions. All homes bought, sold or rented require an EPC.

Ground rent

An annual charge levied by the freeholder to the leaseholder.

Guarantor

An individual who offers to be contractually liable, both financially and legally, should a tenant fail to pay the rent during their tenancy, or in the event of damage to the property.

HMO

House in Multiple Occupation

Inventory

A list detailing every item contained within a rental property and the condition each listed item is in, usually checked by all parties on the day the tenant moves in and signed by all parties.

Landlord Insurance

Specific insurance taken out by landlords to cover their properties and investments – usually the contents and buildings insurances cost more than for owner occupiers owing to the greater amount of risk.

Leasehold

A legally binding document whereby the freeholder grants the right for the leaseholder to possess, or use land or a building for a specific period of time.

Letting agent

A business that arranges the letting or management of homes rented on behalf of private and corporate individuals.

Maisonette

A property arranged over more than one floor, usually as part of an existing house.

Managing/management agent

A third party business that manages the letting of properties, in exchange for a fee, on behalf of a landlord or property owner.

Rent

A fixed amount of money that you pay regularly to the owner of a property for the uninterrupted use and enjoyment of it for an agreed period of time.

Rent guarantee and legal expenses insurance

An insurance that guarantees to pay the landlord the rent if the tenants should cease paying, plus insurance for the cost of legal fees to recover the property and/or any outstanding rent/costs etc.

Service charge

A charge to cover the cost of repairing and maintaining external or internal communal parts of a building, usually paid by the tenant or leaseholder.

Studio flat

A flat with one main room, or open-plan living area that usually incorporates cooking facilities with a separate bathroom.

Tenancy agreement

A contract between a tenant and a landlord that specifies certain rights and obligations for both parties for the duration of the tenancy. Usually an Assured Shorthold Tenancy.

Tenancy Deposit Scheme

The Tenancy Deposit Scheme (TDS) has been established under the Housing Act 2004. It requires landlords to register details of the start and end of all Assured Shorthold Tenancies on which they take a deposit.

Tenant

A person that has a temporary right to possess a property.

Tenants contents insurance

Insurance to cover the damage or loss of items and belongings within a property.

Tenant referencing

A process whereby a landlord investigates the financial history and current situation of a prospective tenant.