



A helpful guide to Deposits, Inventories and Check-outs

The tenant's deposit

Historically, residential landlords have taken a financial deposit from a prospective tenant to protect against any breaches of the tenancy agreement - for example, cleaning requirements, damage (or even loss) of property, unpaid rent or outstanding bills.

The deposit remains the tenant's money at all times and will be returned at the end of the tenancy provided all of the terms of the agreement have been honoured. Since April 2007 deposits for Assured Shorthold Tenancies in England and Wales have had to be protected by an authorised tenancy deposit protection scheme.

If the tenant has broken the terms of the tenancy agreement in any way then, at tenancy end, the landlord and tenant should agree on the return of the deposit and the scale of any deductions which require to be made from it. If the tenant is unhappy with the amount the landlord wishes to deduct from the deposit or the landlord/agent refuses to engage in the deposit return process, the tenant is entitled to raise their dispute via the appropriate tenancy deposit protection scheme.

The procedures that the tenant or landlord/agent need to take when dealing with a specific deposit dispute differ slightly depending on the actual scheme protecting the deposit. At Strawberry we use the Deposit Protection Service (The DPS) who operate a custodial scheme. This means that the DPS holds the deposit throughout the whole tenancy and the management of the end of tenancy is dealt with entirely through them.

The inventory

An inventory is a schedule of how the property is presented to the tenant at the start of tenancy. The importance of a properly completed inventory must not be underestimated; it must be robust and defensible if it is to be held up as a true indicator of the facts and viewed as acceptable by an adjudicator/ Court.

The inventory is presented in written form to the tenant with dated photographs as back up. A true inventory is not simply a list of items in a property - it also includes a description of the condition and cleanliness at the start and finish of the tenancy, enabling one to be compared against the other with clarity and accuracy.

The inventory may be a crucial factor in a decision if there are disputes between the landlord and tenant and it is therefore a vital piece of documentation.

Wear & Tear – As a landlord you need to be aware of guidelines on '**betterment**'. Some aspects of a property, such as paintwork and carpets do naturally deteriorate over time; therefore a landlord should not request that items be restored to a condition surpassing that established at the start of the lease and should allow for 'fair wear and tear'. The allowance made by landlords should be relative to the length of time in the property, the number of occupiers and their age; family homes for instance will always require a greater allowance for wear. Soft furnishings also require consideration– they can only be left in a property if they carry a fire label and they must be subject to the above-mentioned tolerance too.

Due to the exacting nature of an inventory and the allowances described above, there are certain items that will not be detailed. The list overleaf is not exhaustive but gives some idea as to what will not be included:-

- Kitchen pots, pans, crockery, utensils, cutlery, baking trays (except for grill pans), glassware.
- Food items
- Cleaning products and toilet brushes
- Spare light bulbs
- Candles & pot pourri
- Bed linen, pillows, duvets, towels etc.
- House plants – whether live or artificial, garden pots, plants, plant food or weed killer
- Tins of paint

Finally it should be noted that all items listed on an inventory are the landlord's responsibility to maintain.

The check-out

In simple terms the check-out is the review of the inventory but at the end of the tenancy. It should take place at a pre-arranged time where the landlord and/or their agent is allowed to gain entry to check condition of both the property itself and the furniture, fixtures and fittings contained there-in.

The most important thing about the check-out is that fairness should prevail. For this reason it is often better that the process be handled by a third-party who can remain neutral and will therefore be less likely to get involved in an argument or be personally attached to anything covered in the check.

Allowance for reasonable wear and tear has been mentioned within the previous section. This can be a major area of dispute between landlord and tenant as each may have their own individual opinion as to what is 'fair'. There are no statutory definitions and even recent test cases have simply made reference to 'the reasonable use of property' and 'the ordinary operation of natural forces', neither of which are particularly easy to establish. ARLA (of which Strawberry are of course members) have produced some very helpful guidelines which, in conjunction with their tables of 'usual life expectancy' of various areas and contents within a property, provide a recognised way of keeping things unbiased.

The check-out should be the very last thing that the tenant does within the property and they should hand over their keys (the number of sets of which will already have been discussed) immediately afterwards. To avoid any delays and further inconvenience or expense it should be made clear to the tenant that the check-out appointment is fixed, cannot be subject to change at short notice and will involve the imposition of fines if the property is not in a fit state to be inspected. This again is something which is most probably best handled by an agent upon your behalf.

At Strawberry we pride ourselves in the time and attention to detail we invest in the inventory and check-out stages of the tenancy. This approach has stood us in very good stead with landlords and tenants alike and has allowed us to have 100% success rate in arranging the return of the deposit in a manner which is satisfactory to both parties. We do not simply maintain our membership of ARLA; we actively take part in their training courses and benefit greatly from the sharing of best practice. This is why we have the ability to use the most useful and accurate tools available within the marketplace and can maintain a professional impartiality at these most crucial of times.

ARLA Guidelines on fair wear and tear...

Make allowance for:

- "Original age, quality and condition ... at commencement of tenancy"
- "Average useful lifespan..."
- "Reasonable expected usage of such an item"
- "Number and type of occupants in the property"
- "Length of the tenants occupancy"
- "Landlord is not entitled to charge his tenants the full cost for having any part of his property... back to the condition that it was at the start of the tenancy"
- "Landlord/Agent has a duty to adopt the most reasonable approach ... the tenants' deposit is not to be used like an insurance policy where you might get full replacement value/new for old"

Usual life expectancy guides

Joint guidance issued by ARLA, NAEA, RICS and Asset Skills in the 'Guide to Best Practice for Inventory Providers'

Decorations	Lifespan
Hall, landing, stairs	between 2 to 3 years
Living rooms	approximately 4 years
Dining rooms	approximately 6 years
Kitchen and bathrooms	between 2 to 3 years
Bedrooms	approximately 5 years

Carpets	Lifespan
Budget quality	between 3 to 5 years
Medium quality	Between 5 to 10 years
Top quality	Up to 20 years

White goods	Lifespan
Washing machines	between 3 to 5 years
Cookers/Ovens/Hobs	between 4 to 6 years
Fridges	between 5 to 8 years

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