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ADVICE WHEN  
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GET TO  
KNOW  
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GAIN  
AN EDGE ON  
THE MARKET

NETWORK  
WITH FELLOW  
LANDLORDS

SAVE MONEY  
ON  
SERVICES

# Minimising Disputes and Managing Dilapidations

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No Letting Go – Richmond  
[www.landlords.org.uk](http://www.landlords.org.uk)

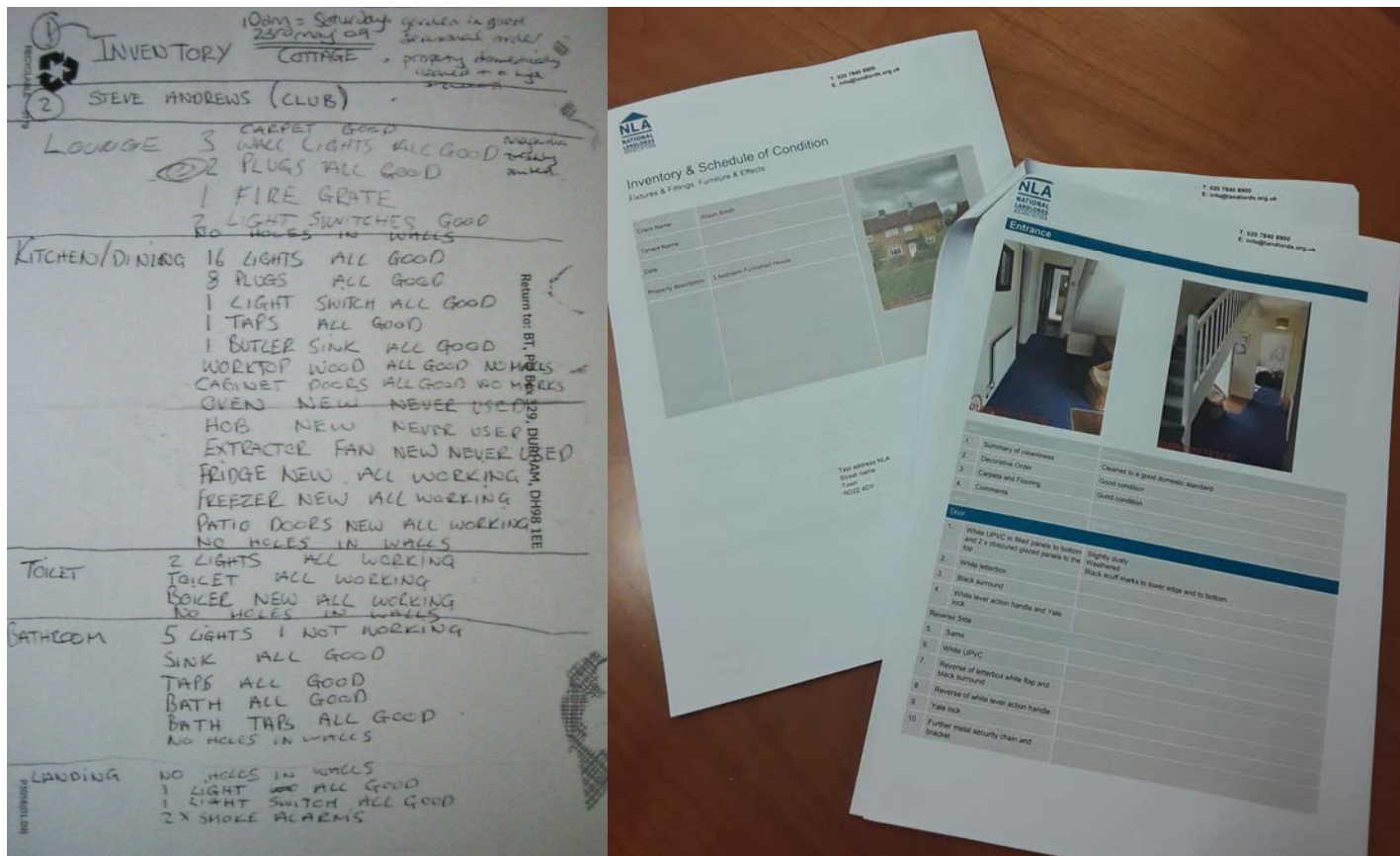
## NLG Inventories

- 11 years of supplying inventory services across the UK
- 65 Regional Offices – nationwide coverage
- All offices highly trained to the same standard
- All clerks AIIC/ARLA Qualified
- Tablet based software delivering professional reports
- No Letting Go generate over 40,000 reports per year
- Book via the NLA website

## What does a good inventory look like?

- Clear, professional, easy to follow format
- Detailed written descriptions including condition and cleanliness
- Compliance issues – smoke & CO alarms, fire reg labels for furniture
- Supported by good quality embedded date stamped photographs
- Meter Readings
- Key and Appliance Manual List
- Clearly defined Glossary of Terms and Guidelines

# Good written evidence is key



## Most common dispute issues

- 85% of all disputes have an element of cleanliness
- Damage versus fair wear & tear
- Gardening issues

# Glossary of terms

**Glossary of Terms**

**All items listed are in a good condition and the cleanliness standard is good domestic clean, unless otherwise stated.**

**Condition**

1. **Brand new, unused condition** - Still in wrapper or with new tags/labels attached.
2. **Good condition** - Signs of slight wear, generally lightly worn.
3. **Fair condition** - Signs of age, frayed, small light stains and marks, discolouration.
4. **Poor Condition** - Extensive signs of wear and tear, extensive stains/marks/tears/chips. Still functional.
5. **Very Poor Condition** - Extensively damaged/faulty items, large stains, upholstery torn and/or dirty, pet odours/hairs.

**Cleanliness**

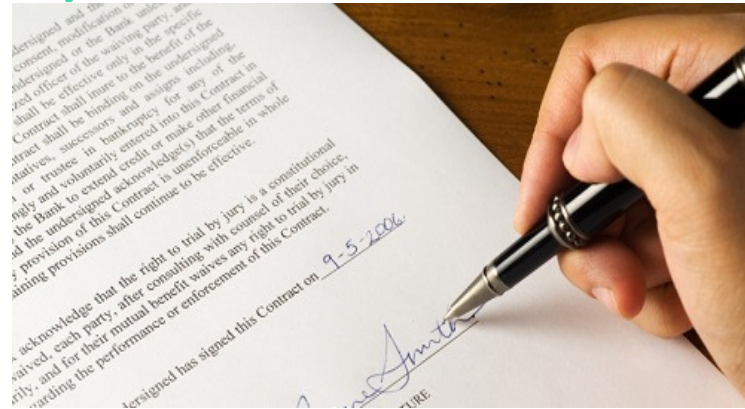
1. <b>Professionally cleaned</b>	Everything immaculate, sparkling and dust free, appliances and sanitary ware spotless. Carpets steam cleaned, vacuumed. Floors swept. All furniture in order and clean. Linen freshly laundered.
2. <b>Professional or hotel clean</b>	Everything immaculate, sparkling and dust free, appliances and sanitary ware spotless. Carpets steam cleaned, vacuumed. Floors swept. All furniture in order and clean. Linen freshly laundered. Cleaned to a professional standard but no receipt seen.
3. <b>Good domestic clean</b>	Flooring vacuumed and swept. Appliances cleaned and free of loose dirt. Some carbon deposits to appliances may be visible but no loose debris or grease to the touch. Dust may be visible to areas not often seen - cupboards, tops of door frames etc. Sanitary ware in clean condition - no dust/soap deposits/loose hairs etc
4. <b>Average domestic clean</b>	Domestic clean, but signs of dust to woodwork, kitchen units marked, appliances need additional cleaning. Carpets vacuumed and floors swept. Dust/hairs to sanitary ware - requiring further cleaning
5. <b>Poorly cleaned</b>	Carpets need vacuum, all items dusty or dirty, kitchen and bathrooms require further cleaning to either a good domestic standard or to a professionally clean standard as applicable
6. <b>Not clean</b>	Property requires cleaning to a good domestic standard or professional standard to make available for next tenant as applicable.

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## Conditions Vs Cleanliness



# Don't let the check in let you down





## Tenant's agreement & signature

- Ideally an accompanied Check In
- Tenant can sign off inventory at the property
- Outstanding maintenance can be agreed
- If emailing or giving the tenant the inventory to check themselves in allow max 7 days
- Follow up in writing if tenant does not return inventory
- Check that you agree with tenant amendments
- If not, write to them to state amendments not accepted
- If tenant does not agree or accept inventory deposit claim likely to fail

## Property visits

- Consider conducting the first property visit at one month
- Thereafter every 3-6 months
- Or sooner if problems are identified at one month visit
- Access arrangements, give tenants 2 weeks' notice in writing
- If they don't respond, give 24 hours written notice under Landlord & Tenant Act 1985

## Property visits – What to look for

- General condition of property and gardens if applicable
- Evidence of mould/damp
- Excessive clothes drying on airers and/or radiators
- Isolator switches to bathrooms turned off
- Signs of subletting
- Evidence of smoking and/or pets
- Evidence of drugs

## Property visits- Actions

- Take two photographs of each room
- Photographs of damage and/or maintenance issues
- Give tenant advice on mould/condensation if necessary
- Turn the Isolator switch back on
- Advise tenant of follow up visit in 1-2 weeks' time if necessary
- Write to the tenant to confirm issues raised and actions they need to take
- Remember we are not there to judge the tenant's lifestyle unless it causes a detrimental effect to the property

## Fair wear & tear of damage?

**The House of Lords defines wear and tear as;**

***“Reasonable use of the premises by the tenant and the ordinary operation of natural forces”.***

Unfortunately, decorations, fixtures and fittings all deteriorate over time and eventually will eventually need replacing

So what forms of damage can be considered “reasonable” and naturally occurring, or unreasonable and beyond that of normal use?

## Factors to consider

- Original condition of décor, carpets, fixtures, furniture etc
- Quality of the above items – high end/mid range/budget
- Length of tenancy
- Number & age of tenants– families/students/sharers/professionals



## How do I determine a fair deduction

- Consider the lifespan of the affected item/area
- Carpets and décor in an average property 5 years
- Carpets and décor in student properties 1-2 years
- Landlords are not allowed “betterment” – i.e., new for old
- Calculate depreciation based on length of tenancy and quality of item - how long should it have lasted?
- In some cases a landlord will have to accept compensation rather than replacement – e.g., 2 or 3 cigarette burns to carpet would not warrant a replacement

## What is not fair wear & tear?

- Dirt is never considered fair wear and tear – the property must be cleaned to the same standard as stated on the inventory
- Damage i.e. breaking something is not wear and tear – this will require either replacement or repair
- Damage such as nail varnish spills on the floor or iron burns that have occurred due to negligence would be chargeable
- Consider whether the item has been damaged or worn out through natural use 'v' negligence when making a judgement call
- Would this have occurred if you had been living in the property?



## Example of depreciation deduction

Where damage (to the worktop/carpet/etc.) is so severe as to affect the achievable rent level or market quality of the property, an adjudicator will determine a reasonable replacement value.

Example:

- a) Cost of similar replacement carpet/item = £500.00
- b) Actual age of existing carpet/item = 5 years
- c) Average useful lifespan of that type of carpet/item = 10 years
- d) Residual lifespan of carpet/item calculated as c) less b) = 5 years
- e) Depreciation of value calculated as a) ÷ by c) = £50 per year
- f) Reasonable apportionment cost to tenant calculated as d) x e) = £250.00

## Summary

- A detailed, professional inventory is crucial in helping to avoid disputes
- Remember the importance of ‘Condition’ & ‘Cleanliness’
- Good quality date stamped embedded photos
- Ideally an accompanied Check in
- Make sure the tenant signs the inventory
- Regular property visits
- Be “reasonable” when calculating deductions
- NLA Inventory offices in Ipswich

## Summary

- Landlords must ensure compliance with all relevant legislation
- A professional inventory process is essential for evidencing dilapidations
- Written evidence and quality photographs are crucial
- Audit trail to prove any unreasonable/rapid decline
- NLA Inventories provide national coverage & consistent standards of reporting
- Simple online booking service via NLA website
- **<https://landlords.org.uk> – Services and Suppliers Tab**

The screenshot shows the NLA website's navigation menu. At the top right, there are links for 'Agents', 'Tenants', 'Local Authorities', and 'About us'. Below these are contact details: '020 7840 8900', 'Search', and 'Contact us'. A 'Log in' button is also present. The main navigation bar includes 'Join the NLA', 'Courses & Support', 'NLA Forms', 'Library & Accreditation', 'In My Area', 'News & Campaigns', and 'Services & Suppliers'. The 'Services & Suppliers' dropdown menu is open, showing three columns: 'NLA Services' (with 'NLA Inventories' circled in red), 'Recognised Suppliers' (listing Property, Legal, Finance, Tenancy Management, and Recognised Agents), and 'I'm a Supplier' (listing About the Scheme, Read what others say, and List of all Suppliers). At the bottom, a 'Latest News' banner reads 'Government to end Section 21 in England and Wales' dated '15 APR 2019'.

# Any questions?