

Version 10.5 now available – export task lists, more income options bug fixes and more!

[Click here to join our next FREE webinar to find out more about Alphaletz](#) 🗣️

TIPS & ADVICE, LANDLORD PROPERTY MANAGEMENT

Thinking of Increasing Rent? Read This First.

25 September 2022

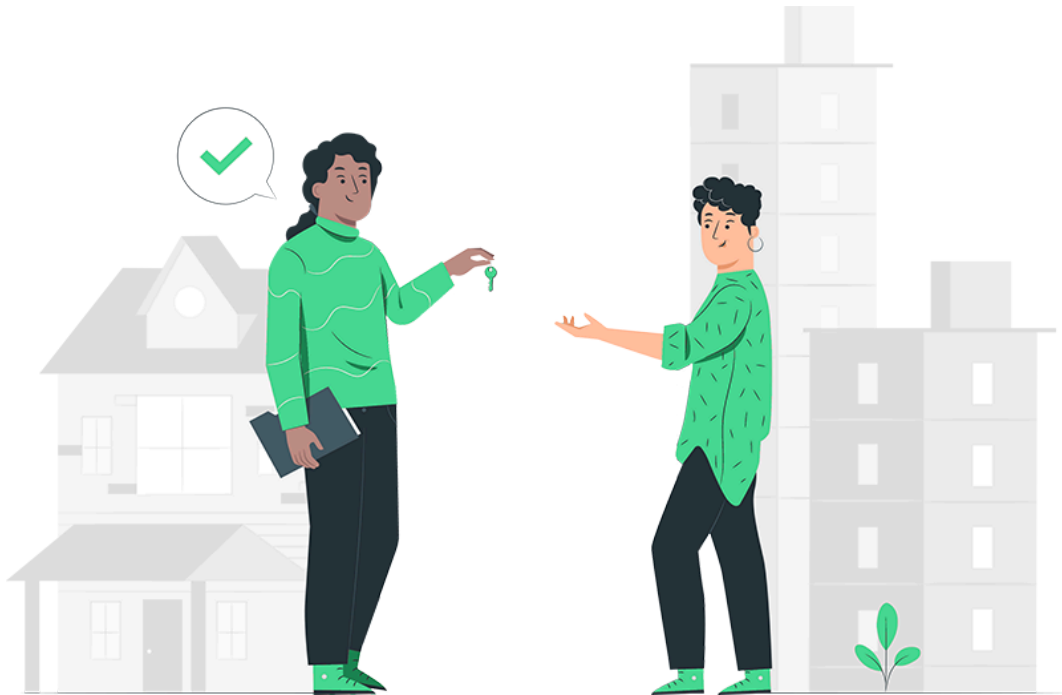
Times are hard and Landlords are **not immune from the cost-of-living increases**. Top that off with an energy crisis and you're probably *counting your pennies with greater care*.

Maintenance costs and the demand for rental properties can have a knock-on effect and soon you can find yourself considering rent reviews.

Here's a few things you should keep in mind when **considering upping a tenant's rental cost**.

Contents of this Blog...

1. [What to expect when increasing rent...](#)
2. [Can I up the rent?](#)
3. [What if my tenant doesn't agree?](#)
4. [The Good, The Bad & The Outright Ugly](#)
5. [What if a tenant says no?](#)
6. [Closing note](#)



What to expect when increasing rent...

Don't expect your tenants to take this as good news. To some landlords, the prospect of having this conversation is very uncomfortable, and some fear confrontation. That's why it's important to approach rent reviews sensitively.

Some tenants might see this as unreasonable and completely object to you raising the rent.

They may refuse to pay anything at all. At this point, you'll want possession of the property. [Click here to learn more about what happens if a tenant doesn't want to pay.](#)

Can I up the rent?

Before deciding to increase the rent, **you'll need to double check whether you're able to.**

If your tenancy is a fixed-term tenancy you can only increase the rent during the fixed term if you have a 'rent review clause' in your tenancy agreement.

Note though that the rent review clause must be properly drafted and comply with the unfair terms rules.

So a clause which allows a landlord to increase the rent by however much he wants will not be enforceable.



Assuming you have no rent review clause, you will need to wait **until the fixed term comes to an end.**

Normally at this stage landlords or their agents will negotiate a new rent as a condition of 'renewing' the tenancy for a further fixed term.

If the tenant signs the new tenancy agreement then that's it – **the rent is increased.**

What if my tenant doesn't agree?

Tenants don't have to agree to the increase if they don't want to.

They are quite within their rights to refuse to sign a new tenancy at an increased rent.

However, provided the tenancy is an assured shorthold tenancy and runs on as a periodic 'rolling' tenancy this is not a big problem as you can use the statutory rent increase procedure.

This is set out in **section 13 of the Housing Act 1988** and provides for you to be able to increase the rent every 12 months while the tenancy is a periodic tenancy.

To do this you need to use the prescribed form, **form 4**, which is **available on the gov.uk website**. It's a fairly complex form but there are notes that go with it. Your rent must be a 'market rent' **and you need to give the tenants a one-month notice period.**

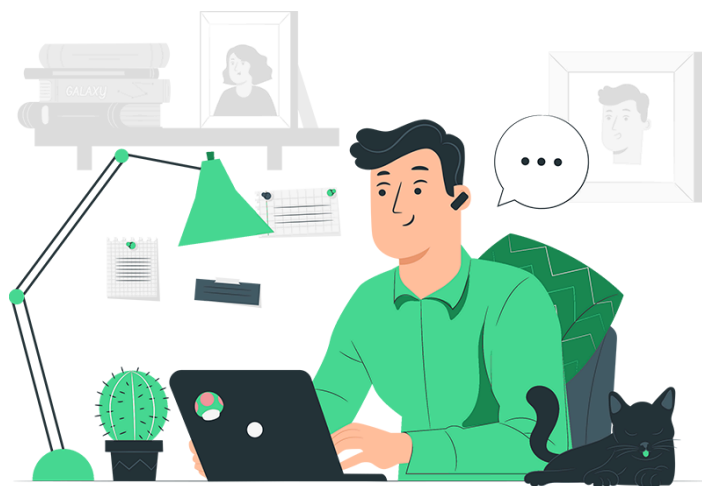


During that month tenants can apply to the First Tier Tribunal for the proposed rent to be reviewed.

If they don't do this, then the new rent will **apply after the end of the one-month period**.

Tenants rarely apply for a review but if they do, provided your rent is reasonable it should be upheld.

The Tribunal will be looking to see what the market rent is for that type of property and the **personal circumstances of the landlord or tenant** are not taken into account.



Not all tenancies are assured or assured shorthold tenancies.

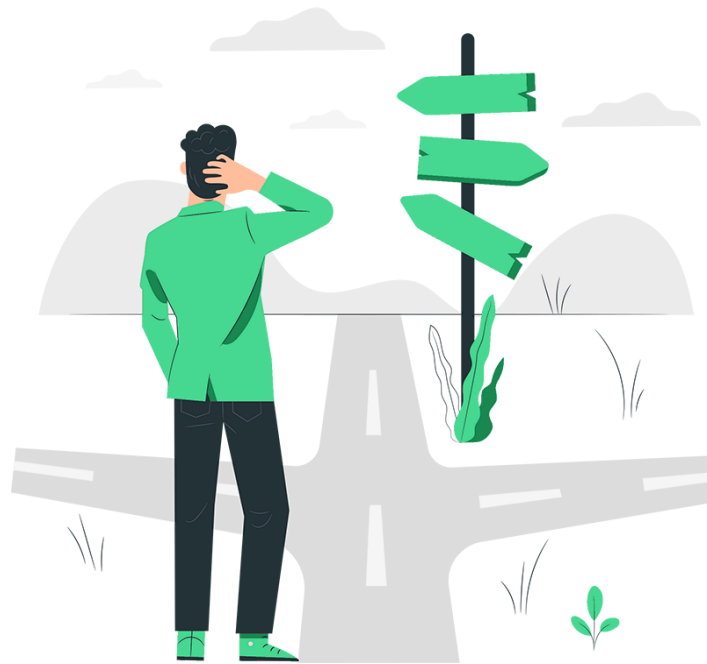
If the tenancy is an unregulated 'common law' tenancy then if the tenant refuses to agree then your only option will be eviction – **assuming the fixed term has ended first.**

The Good, The Bad & The Outright Ugly.

There are **good reasons to raise rent** and **bad reasons**, too.

Your rent review can be motivated by good factors, like pricing to keep up with mortgage payments or the ever-changing standing of the current rental market.

Things like **property maintenance costs** can also motivate you to raise rent too.



You'll want to **stay away from raising rent for factors like greed or speculation.**

Just because you think your property is worth more doesn't always justify a rent increase. **You should only increase rent to the market rent.**

What if a tenant says no?

It's in your best interest to try and meet a middle ground, as **having a hostile tenant is never a good idea.**

However as discussed above, so long as you allow the tenancy to run on as a rolling periodic, you will still be able to increase the rent once a year using the **statutory notice procedure.**

There is also of course the option to evict your tenant but this should only be resorted to in extreme cases as it takes a very long time to get a possession order and your **tenant**

One great piece of advice we'd want to give to you is to **value your tenants**.

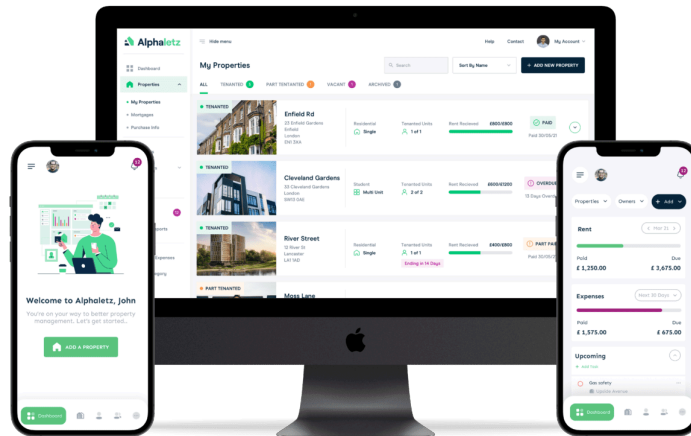
Good tenants aren't always easy to find. If you run the risk of losing a good tenant for the sake of a minor increase, **then you should probably reconsider the rental increase to begin with**.

By acknowledging that rent reviews aren't always going to go smoothly, you'll get a better understanding of how to approach them and what you should consider.

We hope this blog has prepared you to approach your rent review properly and has given you a few things to think about.

Special Thanks to LandlordLaw

We want to also thank [Tessa Shepperson from LandlordLaw](#) for her contribution to this blog. Tessa offers support, services & expert advice for property professionals. [Visit Tessa's website today by clicking this link.](#)



Property Management Software for Landlords

Join 1000s of UK Landlords who are making the switch to better systems and **claim back up to 75% of lost time.**

Try Free Today

CATEGORY:

Tips & Advice

Landlord Property Management

SHARE



You might also be interested in...



TIPS & ADVICE, LANDLORD PROPERTY MANAGEMENT

5 Tips to Save Money on Energy Bills During the Energy Crisis

Energy prices are rising, and the recent energy crisis is not helping. Here are 5 tips to save money during the energy crisis.

Is Managing Your Own Properties Easy?

TIPS & ADVICE, LANDLORD PROPERTY MANAGEMENT

Is Managing Your Own Properties Easy?

Being a Landlord comes with its perks. If you're considering managing your own properties, we recommend reading this article first.



For New Tenants!



TIPS & ADVICE, LANDLORD PROPERTY MANAGEMENT

The Landlords Welcome Guide for New Tenants

As a Landlord, it's crucial for you to make your new tenants feel welcome, whilst also outlining simple ground rules and expectations.

Start using Alphaletz now

Alphaletz is free for your first property or unit, giving you full access to all the app's features.

[CREATE FREE ACCOUNT](#)

Book a free product demo to see how Alphaletz can help
you save time when letting out multiple properties.

BOOK A FREE DEMO

Product

Features

Mobile App

Pricing

Resources

Blog

FAQs

E-Book

Alphaletz

About Us

Contact Us

Book a Demo

Alphaletz is an agent of Plaid Financial Ltd., an authorised payment institution regulated by the Financial Conduct Authority under the Payment Services Regulations 2017 (Firm Reference Number: 804718). Plaid provides you with regulated account information services through Alphaletz as its agent.

Terms & Conditions

Privacy Policy

Cookie Policy

© 2024 Alphaletz

