

CYMDEITHAS TAI

Bro
Myrddin

HOUSING ASSOCIATION



Thinking of taking in a lodger?



Thinking of taking in a lodger?



If you have a spare room, or rooms, in your home you might want to consider taking in a lodger.

This might be an option for you if you have found it more difficult to make ends meet due to the changes in the welfare system.

The 'Pros' and 'Cons' if taking a lodger.

The 'Pros' ✓	The 'Cons' ✗
<ul style="list-style-type: none">• You will earn extra income• The first £20 of weekly income you gain from taking in a lodger will not affect your benefits.• You can earn up to £4,250 a year in rent before you have to pay any income tax provided the room is furnished• And as this annual rent of £4,250 is "tax free" it also won't affect the amount that you receive in Child Tax Credit either.• Company / Friendship.• Adds to Security – someone else at home.• Additional skills in your house.• Your lodger can help contribute to utility bills• If your property is currently under-occupied by one room (for the purposes of the "bedroom tax" rules) it would no longer be under-occupied if you had a lodger.	<ul style="list-style-type: none">• You will have to be happy about sharing your home with a stranger• A relative or close friend living with you and living as a member of your household would normally be treated as a 'non-dependant' in benefit terms and their income would affect your Housing Benefit.• If you receive more than £20 a week in rent, the additional cash is likely to affect your Housing Benefit. However, you are still likely to be better off. The Customer Services Team at your Housing office will be able to tell you exactly what impact this extra cash will have on your benefits, if any.• Things can go wrong and you are responsible for your lodgers behaviour whilst they are in your home under the terms of your tenancy agreement, so be very clear on your house rules before they move in.• You are likely to lose privacy by sharing a house with a stranger.• If you have children you will need to seriously consider if you want a stranger in your home as your first duty is obviously to your children and their safety.



Step by Step Guide: to renting out a room

Seek permission to take a lodger

As our resident you need written permission from us before you get a lodger. You will need to provide us with the name, age and sex of your intended lodger, together with confirmation of the rent which will be charged and which part of your home they will occupy and have use of.

Getting your home ready

Make sure your home and the room you want to rent out is safe, fire proof and that you have general safety sorted. You will need to furnish the room, and ensure that furniture complies with the 1988 Furniture and Furnishings (Fire) (Safety) regulations by checking the labels on it. Electrical items should either be new or checked by a qualified electrician.

Decide Who needs to Know? (after you get permission from Bro Myrddin)

Insurance

You should contact you Home Contents Insurer and inform them that you intend to take in a lodger. They may want to obtain certain information from your potential lodger and they might in some circumstances adjust your insurance premiums. Your insurance will not normally cover your lodger's belongings and you should advise your lodger of this.

Council tax

If you are a single person and receive a single person discount on your Council Tax you need to let the Council Tax section know about your lodger. If your lodger is a student they will not be considered to be a full time occupant and you will not lose your single person supplement.

Department of Work and Pensions (DWP)

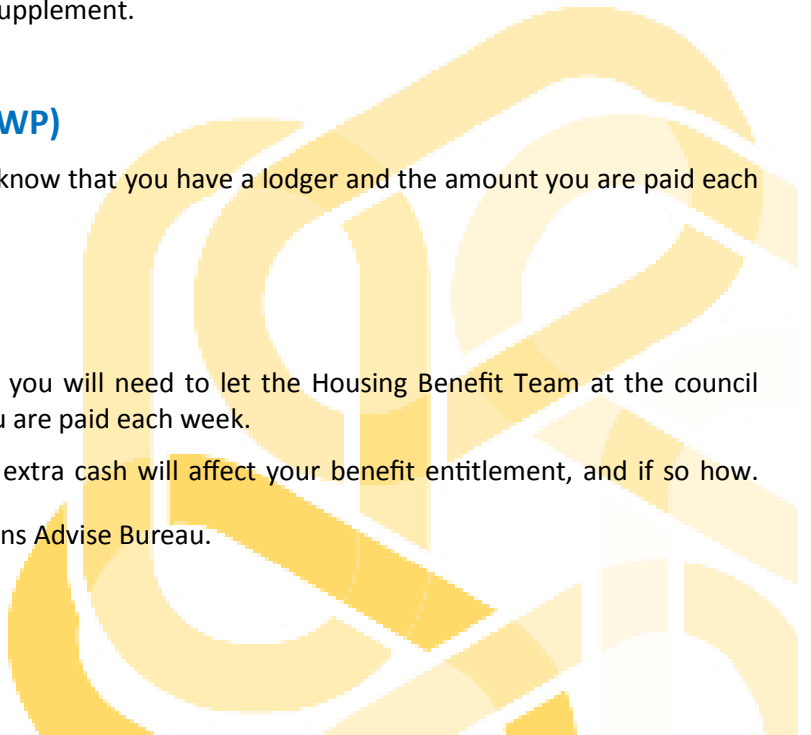
If you receive benefits you will need to let DWP know that you have a lodger and the amount you are paid each week by your lodger.

Housing Benefit

If you receive Housing and Council Tax Benefit, you will need to let the Housing Benefit Team at the council know that you have a lodger and the amount you are paid each week.

Speak to your benefits provider to check if the extra cash will affect your benefit entitlement, and if so how.

It may also be worth speaking to your local Citizens Advise Bureau.



How much do I charge?

Unfortunately, it depends on a number of things. Such as, the location, the furniture and fittings, if you're including bills, the size of the room etc. Try looking in your local paper under the rooms to let or visit www.spareroom.co.uk or even on www.gumtree.com to check out what other people in your area are charging.

Advertise

Try putting a notice in your local shop or you can often advertise for free through one of the many websites available. If you live close to a college or university you might want to register an interest to let your room with them.

Find someone that's right for you

The person that lives in your spare room needs to be a good fit to your household, so take the time to talk to them when they are viewing the room. It's a good idea to discuss your ground rules with them so you both know from the start what to expect.

Get written references

Ask your potential lodger to provide references from a previous landlord or an employer. It's best to get these in writing and then make a phone call to double check them.

Have a written agreement

Have a written agreement between you and your lodger, at first you may want to consider a short probationary agreement. Having an agreement is important for both of you and will be the document you refer to if there is a problem between you.

A written agreement should always include:

- Rent amount and payment details.
- Which rooms/facilities the lodger can use.
- Any share of household bills they are responsible for.
- When the rent amount is reviewed.
- Your house rules.
- Notice period if they want to move out.
- Consider taking a deposit (normally equal to one month's rent), which you should keep safe in a savings account.



For a sample lodger agreement visit www.yourbenefitsarechanging.co.uk

It is important that you read the sample agreement carefully and change it before you use it if it does not cover everything which you have agreed with your lodger.

Safety Tips

- Always have a friend with you when you show someone around or interview them for the room.
- Keep valuables locked away during the interview.
- Make sure you use the interview as an opportunity to ask about anything that concerns you.
- Take photos of the condition of the room/furnishings, and make a list or inventory of the furniture and any other items provided for the lodger.

For more information see

www.gov.uk/government/publications/letting-rooms-in-your-home-a-guide-for-resident-landlords

Whilst Bro Myrddin can provide you with advice about taking a lodger, the decision, risk and liability remains with you. You need to satisfy yourself that you have consulted with and /or notified the recommended agencies, by failing to do so you may be committing fraud.

If you need to ask your lodger to leave, we will give you support and advice but it will be your responsibility to take the necessary steps to evict them and you must ensure that they are not at your property when your tenancy ends.