

Landlord Factsheet: The Principle of Betterment

What is Betterment?

A tenant has a duty of care to look after a property and return it to the landlord in the same condition it was at the start of the tenancy – allowing for fair wear and tear.

Landlords cannot expect their property to be returned in a better condition than it was at the start.

The Association of Residential Letting Agents (ARLA) define Betterment as:-

“When a landlord ends up in a better position, either financially or materially, at the end of a tenancy than they were at the start, or than the landlord would have been at the end of the tenancy having allowed for fair wear and tear.”

How is Betterment applied?

The law does not allow landlords to claim “new for old” from a tenant’s deposit. If an oven was old at the start of a tenancy and is then damaged during the tenancy the landlord cannot claim the cost of a new oven from the tenant. The expected lifespan of the oven has to be taken into account. If the oven was expected to last another two years, the tenant could pay an amount for the lost two years of use. The law does allow compensation.

If the tenant has damaged the carpet (as opposed to wear and tear) then the age and original cost of the carpet is taken into account together with its expected lifespan with depreciation at 10% a year. A medium quality carpet has a lifespan of 10 years. If it was 8 years old at the end of the tenancy, the landlord can only claim its current value, not what he paid eight years ago to put it in.

If a carpet or mattress for example, has a small or medium stain but the landlord decides to replace the whole carpet or mattress, they can only charge the tenant the amount of a spot clean. If the whole cost was £500 but the spot clean cost £25, the landlord can only claim £25.

Betterment also applies to cleaning. If a carpet was not professionally cleaned at the start of a tenancy, the tenant is under no obligation to have it professionally cleaned at the end.

For decorating, it is generally accepted that redecoration should be carried out approximately every 3-5 years. If a tenant has damaged a wall by, say, affixing sticky items to it, and the room was last redecorated 4 years ago, the landlord would only be able to claim the cost of repainting the damaged wall, not the whole room as that would be seen as betterment.



Like for Like Replacement

The landlord also has to base any charge to the tenant on a like for like basis. They cannot replace a cheap nylon carpet with a top of the range pure wool carpet. Or a £200 Indesit washing machine with a £1,000 Miele washer dryer!

Life Expectancy

The general rule is that better quality items will last longer, but nothing lasts forever. Landlords should expect to redecorate every 3-5 years as previously mentioned and to replace bed linen every three years. For appliances, the warranty will give an idea of the minimum expected lifespan, with the quality of the appliance indicating expected lifespan. However, heaviness of use will affect this. A washing machine used by a family of four will not last as long as if it were used by a single occupant.

Wear and Tear

Wear and tear will vary enormously depending on the type of tenant. A single occupant who works long hours and eats out every night will produce hardly any wear and tear. At the other end of the scale, a family with small children, or a group of tenants who enjoy entertaining will produce a significant amount of wear and tear.

It is important to distinguish between wear and tear and actual damage. Carpet tread will flatten over time, but a cigarette burn or stain is damage. Equally a tenant cannot be held liable for events beyond their control – like flooding, or window frames showing damage due to normal rain and sun.

The House of Lords defines fair wear and tear as “*reasonable use of the premises by a tenant and the ordinary operation of natural forces.*”

Awareness

The Association of Independent Inventory Clerks reports that awareness of betterment is very low. Landlords often have unrealistic expectations and frequently push for rental homes to be in a better condition when tenants leave than is practicable.

Pat Barber of the AIIIC says “*We have seen many cases where the landlord has not read the check in inventory so when it comes to check out they are unrealistic over issues which they believe should be included in the check out and charged to the tenant.*”

Conclusion

The best way to avoid end of tenancy disputes is to have a clear and accurate inventory in place at the start. This will ensure the property’s condition is fully recorded and compared against its condition at the end by way of a thorough check out report. Any damage can therefore be proved by the landlord and disputes can be settled quickly – but the landlord must not ignore the principle of betterment.

September 2015

