

Tenant Changeover Guide.

What happens when one tenant
wants to move out but the rest
want to stay?

A guide for tenants

Office: +44 (0) 20 7289 6255
info@sulgraveestates.co.uk



Introduction.

Often groups of sharers start a tenancy with the best of intentions, but circumstances can change and sometimes one tenant may find that they need to move out before the end of tenancy. Equally, one tenant may decide they do not want to renew the tenancy, but the other tenants do.

If a tenant wants to move out in the middle of the tenancy

The tenants are jointly and severally liable for the rent and all other outgoings (utilities etc.) for the duration of the tenancy. Therefore, if one tenant wants to move out mid tenancy they will have to:

- give a minimum of one month's written notice to the landlord or agent and their fellow tenants.
- find a replacement tenant who is acceptable to both the landlord and the remaining tenants.
- pay all necessary fees.

Bear in mind that an incoming tenant will only be allowed to move in once they have passed tenant referencing. If they do not pass, they will not be able to move into the property.

The incoming tenant should pay their £90 (including VAT) tenant referencing fee and also provide copy ID (either passport or driving licence) to the agent.

Assuming all goes smoothly and the incoming tenant is clear to move in, all parties (the outgoing tenant, the incoming tenant and the landlord) will need to sign a Deed of Assignment. This document assigns (i.e. hands over) the outgoing tenant's obligations and liabilities under the Tenancy Agreement to the incoming tenant.

The outgoing tenant will have to pay the agent's fee for preparing the Deed of Assignment which is £60 (including VAT).

Remember that the outgoing tenant remains jointly and severally liable for the rent and outgoings until the incoming tenant has moved in. If there is a gap between the outgoing tenant moving out and the incoming tenant moving in, the outgoing tenant remains jointly and severally liable during this time even if they are no longer living at the property.

Liability

At the beginning of the tenancy, there will have been an inventory and check in report prepared by the Inventory Clerk. The inventory is a document setting out the condition of the property together with the contents (and their condition) at the start of the tenancy.

At the end of the tenancy, the Inventory Clerk will prepare a check out report and updated inventory. This will document any changes that have occurred during the tenancy. For example, there may be damage to the property (carpet cigarette burns, broken items, etc.). The outgoing tenants would be charged for repair and/or replacement usually by way of deduction from their deposit.

It is therefore strongly recommended that a check out/in and updated inventory is carried out when the outgoing tenant moves out and the incoming tenant moves in.

The outgoing tenant will be liable for the cost of this which varies dependant on the size of the property, whether it is furnished or unfurnished etc. If this is not done, the incoming tenant will be taking over the liability of the outgoing tenant in this regard.

For example, the incoming tenant moves in and at some time in the future all the tenants move out together. At the check out it is noticed by the Inventory Clerk or landlord/agent that there is some damage or some broken items. All the tenants are liable together for the cost of repair or replacement.



The incoming tenant may argue that the damage and/or the breakage of items occurred before they moved in — but without an updated inventory in place there is no proof of this. They will therefore be held jointly and severally liable **whether they were living in the property at the time the damage or breakage occurred or not!**

If the decision is made not to have a check out/in and updated inventory done, then the incoming tenant is strongly advised to go round the property with the inventory in hand and check it thoroughly. If they notice anything amiss (damaged, broken, missing etc.) they must point this out to the landlord or agent before they move in so it can be noted on the inventory.

If the decision is made to have a check out/in and updated inventory please remember that the inventory clerk will need to be booked well in advance and the outgoing tenant and incoming tenant should preferably be present which may require them having to book time off work.

Deposit

The deposit will have to be re-registered at the Deposit Protection Service with the new names. The charge for this is £18 (including VAT). Tenants usually agree that the incoming tenant will pay their share of the deposit to the outgoing tenant less any deductions agreed (see “Liability” above). It may be that the lead tenant is the one moving out, in which case a new lead tenant will be required.

Utilities

It is up to the tenants to ensure that the outgoing tenant has paid their share of the utility bills up to the date of moving out.

If a tenant wants to move out at the end of the tenancy

If one of the tenants decides they do not want to renew at the end of the tenancy but the others do, the procedure is simpler.

The outgoing tenant is under no obligation to find a replacement tenant as the tenancy has come to an end. The onus is therefore on the tenants who do want to renew to either:

- renew the tenancy without finding a replacement tenant
- find a replacement tenant themselves.

As before, the replacement tenant is subject to referencing at £90 (including VAT) but no Deed of Assignment is required as a new Tenancy Agreement will be starting.

Liability

It is not normal practice to have a check out/in and updated Inventory for a renewal and the landlord only pays for a check out when the whole tenancy ends and all the tenants move out. In this situation it is advisable that a check out/in and updated inventory is carried out and the simplest way is to split the cost between the outgoing tenant, the incoming tenant and the remaining tenants. This gives peace of mind to all parties. The average cost of a check out/in and updated inventory is about £80 and split between 3 or 4 people will only be a small amount each.

Whilst this is not compulsory, Sulgrave Estates strongly recommend that this is done. Remember that the inventory clerk will need to be booked well in advance and the outgoing tenant and incoming tenant should preferably be present. As before, this may mean that they will have to book time off work.

Deposit

As previously mentioned, the deposit will have to re-registered at the Deposit Protection Service with the change of names. The registration fee is £18 (including VAT). The incoming tenant may send their share of the deposit direct to the outgoing tenant less any deductions agreed. Please see the sections on “Liability” on pages 2 and 3 and above in this regard.



Utilities

It is up to the tenants to ensure that the outgoing tenant has paid their share of the utility bills up to the date of moving out.

And finally ...

We hope you will find this Guide helpful in ensuring a smooth tenant changeover. If you have any further questions, please contact Sulgrave Estates.

