

Landlord insurance jargon in plain English

Being a landlord is a complicated enough business without having to spend time deciphering the often incomprehensible wording that comes as an irritating part of the deal. Simple explanations in plain English are worth their weight in gold. Here are some of the most common phrases, and their jargon-busting definitions.

Tenancy Agreement: Probably the most frequently used phrase of all. It literally means a contract between the tenant and the landlord that gives both the tenant the right to live in the property and the landlord the right to receive rent for this arrangement.

AST: Stands for Assured Shorthold Tenancies and essentially gives the tenant/s the right to occupy the property for a fixed period of time. Of course, this is dependent on them keeping to the original terms of the tenancy agreement. At the end of the fixed period, both the landlord and the tenant can terminate the contract. Any replacement or extension on the agreement will automatically be on shorthold terms unless specifically stated otherwise.

Buildings Sum Insured: This is literally the cost of rebuilding your property, as opposed to the resale or market value. It includes fixed glass, driveways, landscaping, landlord's fixtures and fittings, heating devices and outbuildings, to name but a few! For the most accurate valuation, consult a qualified surveyor.

Deposit: Any amount of money given by the tenant at the start of the agreement. This is then held by the landlord as security against any damages or failure to pay rent during the tenancy.

Inventory: A comprehensive list of every item in the property and the state of its condition. The list should be detailed to the point of being exhaustive and cover everything from walls, fixtures and floor coverings to windows, appliances and furnished items if appropriate.

Protected Deposit: Also referred to as Deposit Protection, any deposit registered with this scheme is covered by compulsory insurance which is paid for by the scheme and used for the benefit of the tenant.

Regulated Tenancies: If any of the following apply, then you may well have a regulated tenancy -

- You originally moved in before the 15th of January, 1989
- You and your landlord live in different buildings
- Additional services, such as cleaning, are not included as part of your tenancy agreement

In comparison with an AST, a regulated tenancy gives the occupiers more rights and greater protection from concerns such as the threat of eviction. Furthermore, tenants are also able to apply for a 'fair rent' to be registered against the property. A fair rent will be decided by a rent officer and the landlord cannot charge any higher than the amount set.

Joint Tenancy Agreement: A solitary, uniform agreement signed by everyone living in the property. This provides equal rights and responsibilities to all tenants.

Standard Construction: These are built of brick and stone or concrete and, in the main, will be roofed with asphalt, tiles, metal, asbestos or slates.

HMO: House in Multiple Occupation. The Housing Act of 2004 states that, in order to be classed as an HMO, the structure must meet at least one of the following criteria: 'a building with one or more unites of accommodation which are not self contained flats, occupied by people who are not in one household who pay rent, occupy the property as their main or only residence, are the only people that use the accommodation and share a kitchen, bathroom or toilet.' A mixture of self contained flats and non-self-contained accommodation will still be classed as an HMO due to people sharing facilities in the non-self-contained accommodation.