

Landlords: Why You Must Vet Tenants

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LANDLORDS: WHY YOU MUST VET TENANTS

The importance of finding a reliable tenant cannot be understated when it comes to achieving success as a landlord.

While there are many factors involved with being a landlord, when you have a tenant who pays on time and cares for your rental property, the process of being a landlord is much simpler.

Therefore, you must vet tenants. At Stones Residential, we are firm believers in vetting prospective tenants before deciding which tenant should stay in your rental property. We are happy to provide this service for you. However, this guide details why you must vet tenants, so you know what the process entails, and why it is an essential part of your letting business.



NETTING ISN'T FOOL-PROOF, BUT IT MAKES A DIFFERENCE

There is no way for a landlord or agent to be 100% confident about a tenant. No one can fully predict the future. It is possible, however, to minimise risk, and this is why you must vet tenants.

When you lower the risk of selecting an unreliable or untrustworthy tenant, you enhance your chances of success. Reviewing prospective tenants finances, both in the past, and right now, help you determine if they are in a position to pay rent each month.

Also, the vetting process will assess the affordability of rent for a tenant in line with their other bills. While the monthly rental fee is the essential bill a tenant has, they shouldn't be overstretching themselves, as this will likely cause problems down the line.



IT WOULD BE BEST IF YOU CONSIDERED A TENANT'S BEHAVIOUR

While the financial aspect regarding a tenant's application is the most prominent issue to check, landlords should look for assurance regarding a tenant's conduct.

If a tenant pays on time, but they cause significant damage to the rental property, you don't have the right tenant in place.

Similarly, if the tenant causes a problem around the property, landlords can suffer in the long-term, so you must consider the conduct of prospective tenants.



WHAT DO MOST AGENTS CONSIDER WHEN VETTING TENANTS?

If you have never vetted a prospective tenant before, you might be unsure of what you can check or what is useful to know.

Most agents will review the following issues:

- Three months of payslips and bank statements
- Credit checks including whether they have a CCJ
- A Cifas fraud prevention check
- A reference from previous landlords
- A reference from current or previous employer
- The applicants' social media profile

The information contained in these searches allows landlords and agents to make an informed decision as to whether the prospective tenant is a suitable candidate for the rental property.



WHAT YOU SHOULD LOOK FOR IN AN APPLICATION

While the items under review when vetting tenants provide a lot of information, some details are more pertinent than others. Knowing what gives you with an indicator of what the applicant is like is useful, and this can be found in the following areas.

When looking at information relating to current and previous employers, consider if an applicant switches job regularly, and how long they have been in their current post. There are many reasons why a person might change position quickly, or on occasions frequently, but for many people, this is a warning signal.

If you have concerns about the applicant's employment history, feel free to discuss it with them. If they can provide you with reasonable explanations, you will feel more confident about the prospective tenant. If they cannot explain the changes, you might have slight concerns about the applicant.



WHAT YOU SHOULD LOOK FOR IN AN APPLICATION

When reviewing the current income level of the applicant, don't just make sure it is sufficient to cover the monthly rental payment. Rent is the most significant monthly bill for a tenant, but they need to generate enough income to cover their living expenses and to have some money left over.

You should speak with a previous landlord, if possible, to ascertain more information on the applicant. If a previous landlord would be willing to let to the tenant again, it is an indicator that they trust them.

You can also review an applicant's social media profile, if public, to see if they will be a good fit for your property. While a social media profile often doesn't provide the full story as to what a person is like, it can help you make an informed decision as to whether the tenant is a good fit for your rental property.



ARRANGE A CHAT WITH AN APPLICANT

It is also helpful to speak with an applicant before agreeing to let property to them. This provides you with a chance to discuss any issues that arose during the vetting process, and it also allows you to get a feel for what a person is like.

Many landlords and agents have developed a sense for what prospective tenants will be like. By speaking with them directly, you will likely form an impression as to whether they are genuine and liable to treat your rental property with respect.

It is vital to combine your thoughts on an applicant after having spoken with them and the results of the vetting process. It might be that a slight issue or worry which has arisen in one aspect of the vetting process has been allayed in another part of the process.

Conversely, it might be that there is nothing overly concerning in an application, but if certain things don't add up or feel right, this might not be the tenant you should let rental property to.



IMPROVE YOUR CHANCES OF SUCCESS

Vetting tenants seems like a complicated process, but by breaking the process into smaller sections, it becomes more manageable. Also, the information provided through the vetting process helps you feel more confident about the standard of tenant you intend to let to.

While no one can confidently predict the future, when you run through a thorough vetting process, you get to know what applicants are likely to offer. This helps you make an informed decision, which should help you manage your property for years to come.



CONTACT US

We offer a comprehensive range of lettings and management service tailored to landlords' portfolio in Stanmore. If you would like to arrange an appointment to help you negotiate the local buy-to-let market, please contact Stones Residential today by calling us on 020 8954 0045 or emailing stanmore@stonesresidential.co.uk.

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