

Setting up a lodging's agreement - a short guide for hosts

This guide is for hosts who, with their guests agree to set up a landlord/lodger agreement. It is just a quick overview. You can find out more information in the [Government's guide on the gov.uk website](#).

What is a lodging's agreement?

It is an agreement between you and your lodger where you also live at the property. This is known as being a resident landlord, and the lodger does not have exclusive rights to occupy any part of the property.

If you will be a non-resident landlord, you can [find information about private renting on the gov.uk website](#).

The agreement will cover areas such as:

- How much rent you will be paid and how often.
- How much deposit you want to ask for.
- What rooms and facilities the lodger will be able to use and what furniture you are providing.
- What they cannot do, for example, have pets or access certain rooms.
- What the rent you charge covers, for example, bills such as council tax.
- If bills are not included, how they will be allocated and paid.
- If you provide other services, such as meals or laundry.
- Any notice period you or the lodger will give to end the agreement.
- Expectations on how they will look after their space.
- What cleaning, maintenance and repairs are the responsibility of you as the landlord.
- What cleaning, maintenance and repairs are the lodger's responsibility.

These areas can be discussed with your prospective lodger before signing the agreement. The Homes for Ukraine team can talk through the lodging's agreement with the lodger with you and/or get it translated into another language.

Rent

If you are unsure how much rent to charge you can:

- Research local listings such as [Rightmove](#) and [Spareroom](#)
- Consider how much rent you will need to cover your costs, including bills if offered.
- Talk to your lodger about how much they can afford.

Ideally rent will be paid by regular bank transfer from the lodger. However, if you agree on cash payments, you might want to give them a rent book so there is a record of each payment.

If the lodger falls behind on rental payments, try to talk to them as soon as possible to find out what the issue might be. You can also contact the Homes for Ukraine team in your local council for support.

Deposits

You may wish to ask for a deposit at the beginning of the agreement in addition to the first month's rental payment. This deposit can be used to pay for damages, missing items or rent arrears at the end of the agreement. It cannot be for more than the equivalent of five weeks rent.

For a lodging's agreement, you don't need to place it in a tenancy deposit scheme, however you do need to keep it safe. Once the lodger has paid their first month's rent/deposit you should give them a receipt as proof.

Rental income – impact on tax and benefits

Unlike Homes for Ukraine thank you payments, rental income will have an impact on tax and benefits.

Under the rent a room scheme, you can earn up to £7,500 per year tax-free, equivalent to £625 per month. We strongly advise you to [read the rent a room scheme guidance on the gov.uk website](#).

If you receive any benefits, you should notify the relevant agency:

- Your local council for Housing Benefit and Council Tax Assistance
- DWP for any other benefits including state pension and pension credit.

They will be able to advise you on any impact to these based on your individual circumstances.

You should check any mortgage conditions to ensure they cover you having a lodger. If you rent your property from a private or social landlord, you should also seek permission from them beforehand.

We also advise you to tell your home insurance company, however the lodger is responsible for insuring their own belongings.

When the agreement starts

You should agree an inventory with the lodger. This will include:

- A list of furniture you are providing.
- The condition the furniture is in.
- What condition the room is in, for example, any marks on walls and the general decoration.
- Meter readings if they are paying bills separately.

You may wish to take photographs. This is an opportunity for the lodger to point out anything that's not covered in the inventory so that it can be added.

You must also tell your local council of the change in host/guest relationship so they can stop any thank you payments. If you don't, this can be seen as a fraudulent use of funds and you will be asked to repay any overpayment.

During the agreement

As landlord you are responsible for:

- Providing the services listed in the lodging's agreement.
- Giving your lodger their privacy in line with the agreement.
- Ensuring the home is fit to live in.
- Completing gas safety and electrical checks.
- Making sure electrical equipment is safe to use.
- Making sure furniture meets fire safety requirements.

Any changes should be agreed by you and the lodger and put in writing; this includes any requests to change the rent payment.

Ending the agreement

You and the lodger must:

- Give the correct period of notice. We would suggest a minimum of 28 days.
- Agree a handover date and inspection of the space.
- Arrange to return their deposit. If you wish to keep some of the deposit to pay for any damages etc., you must set out how much you wish to keep back, for what reason, and what needs to be done to fix the damage.
- The lodger may dispute this, and you can seek advice from [Citizens Advice](#) or a local landlord forum on your next steps.
- We advise asking for a receipt from your lodger once the deposit has been returned.