



# How to Prepare an Inventory and Schedule of Condition for Property Lettings

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This is an excerpt from Lawpack's *Property Inventory eKit*.

To find out more about making a complete Property Inventory or Schedule of Condition that provides proof of the condition of a property at the start of a tenancy, [click here](#).

### ► How to use this eKit

This Lawpack eKit can help you achieve an important legal objective conveniently, efficiently and economically. Nevertheless, it is important for you to use this Lawpack eKit properly if you are to avoid later difficulties.

- This eKit is for those people drawing up an Inventory for lettings of property situated in England or Wales.
- Read this Manual carefully. It contains the instructions you need to complete the template Inventory provided. If you decide that your requirements are not met by this Lawpack eKit, or you do not feel confident about creating your own documents, consult a lettings agency or solicitor.
- Refer to the Inventory extracts and completed example at the end of this Manual for guidance.
- Always use a pen or type on legal documents; never use pencil.
- Always keep legal documents in a safe place and in a location known to your spouse, family, executor or solicitor.
- Throughout this Lawpack eKit, for 'he', 'his' and 'him' read 'he or she', 'his or her' and 'him or her', and 'tenant' should be read as 'tenants' in the case of multiple tenants.

**CAUTION** Whilst every effort has been made to ensure that this Lawpack product provides accurate and expert guidance, it is impossible to predict all the circumstances in which it may be used. Accordingly, neither the publisher nor author shall be liable to any person or entity with respect to any loss or damage caused or alleged to be caused by the information contained in or omitted from this Lawpack product.



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# The Inventory and Schedule of Condition

## ► What is an Inventory and Schedule of Condition?

An Inventory and Schedule of Condition is a single document that may form part of a tenancy agreement which details the items contained within a rental property. It also records their condition as well as that of the décor and fittings.

Whether the property is furnished or unfurnished, a detailed Inventory and Schedule of Condition should be made prior to the commencement of any tenancy.

## ► As a landlord why do I need one?

The issue of the return of the deposit at the end of tenancies is one of the major sources of conflict between landlords and their tenants. When it comes to returning your tenant's deposit, if you don't have a detailed Inventory and Schedule of Condition you could find it extremely difficult to justify any deductions you want to make from the deposit.

On 6 April 2007, the government introduced the Tenancy Deposit Protection schemes which are designed to improve methods of handling tenant deposit money and promote the use of inventories. Landlords will now have to clearly demonstrate where a tenant has caused damage or loss to the property if they are to be successful in retaining money from the deposit.

Further information about the government-authorised Tenancy Deposit Schemes can be obtained from their websites: The Tenancy Deposit Protection Services at [www.depositprotection.com](http://www.depositprotection.com), Tenancy Deposit Solutions at [www.mydeposits.co.uk](http://www.mydeposits.co.uk) and The Dispute Service at [www.tds.gb.com](http://www.tds.gb.com).

## ► What goes into an Inventory and Schedule of Condition?

Each area of the property should be clearly detailed and you should follow a consistent method of notation when you describe items and condition so that both you and your tenant can easily read and understand its content.



Many landlords make the mistake when creating an Inventory of just listing the ‘moveable’ contents of the property (such as sofas, fridges, etc.), without detailing the condition of these items and their appearance. Writing down the contents of a three-bedroom property could easily be done on one side of paper but if you do not consider the ‘fabric’ of the property you could find that your Inventory is not detailed enough to prove that your tenants have caused damage. For example, if in your Inventory there is a pair of hanging curtains you should also state:

- the colour;
- whether they are lined or not;
- what fabric they are made of;
- whether they are hung with hooks or if they are tab top;
- the age of the curtains (if known);
- if there are any marks or nicks in them and if so how many and where they appear.

It is all about being thorough. If you do not consider the detail, your tenants could claim that your lush velvet-lined curtains which they have damaged should only be replaced with cheap unlined cotton ones! All too often landlords deduct money from a tenant’s deposit for items that are not even listed on the Inventory and Schedule of Condition and this can lead to time-consuming disputes and even court hearings, where the landlord can be ordered to return the tenant’s money and pay additional costs.

When you walk into a room you need to consider every part that you can see. A good Inventory and Schedule of Condition will take into account the ceiling, light fittings, walls, doors, door furniture, paintwork, windows, skirtings, electrical sockets and fittings, telephone and internet connections, light switches, carpets, curtains, pictures, mirrors, shelving, furniture, books and ornaments, etc. This may sound like a lot but if your tenant causes damage to any one of these parts you will want to be able to prove the condition when the tenant moved in so that you can show they are liable for any costs of repair or replacements.

As part of your Inventory and Schedule of Condition you should also make sure that you record:

- How many keys you give to the tenants and what make of key they are.
- The gas and electricity meter readings on the day the tenants move in.
- The date that the Inventory is validated from (i.e the day your tenants move in);
- A space for you and your tenants to sign.

## ► Gas and electrical safety records

If your property has any gas installations or pipework, you are required by law to provide your tenant with an annual gas safety record. This must be carried out by a qualified CORGI-registered engineer and you should carefully read the report and carry out any repairs immediately to ensure your tenant’s safety.



Currently, there is no legislation in place that requires landlords to carry out an annual check of the electrical appliances; however, you are legally obliged to provide safe appliances (under the Electrical Equipment Safety Regulations) and electrical checks of fixed electrical installations do now have to be carried out every five years for HMO properties ('houses in multiple occupation' - see government site [www.communities.gov.uk](http://www.communities.gov.uk) for details) .

### ► Changes to Inventory items during the tenancy

During the course of the tenancy it is possible that you will add and remove Inventory items or you might carry out decorative or structural alterations. These must be noted as an amendment to the original Inventory and Schedule of Condition, attached to the document on a separate sheet and agreed in writing between you and your tenant.

Similarly, if you agree that your tenant can carry out works himself such as decorating one of the rooms, you should record in detail the colour that you have agreed (preferably a swatch sample) along with the terms of how you want the tenant to carry out the work and what should happen if the decoration is not to the required standard. These agreements must be signed by both parties and attached to the original Inventory and Schedule of Condition as an addendum.



## Checking your tenants in

### ► What is a check-in?

The check-in is the process by which tenants are met at the property and taken through the Inventory and Schedule of Condition before being asked to sign it and agree its contents. Depending on the length of the Inventory this can sometimes take an hour or two to complete (especially if the property is fully furnished), so let your tenants know in advance and be prepared to diarise enough time so that you don't have to rush through it all.

Remember that the Inventory is there to protect both you and your tenant and the check-in is the only time that both parties will have to agree the condition and the contents of the property. Once the document is signed it will be filed as a true and accurate statement until the day your tenants leave and aside from any alterations that are accepted during the tenancy, you will make your final judgement about whether the tenants get their deposit back based on this document.

At the check-in you should walk round the property using the Inventory as your guide and read word for word each item as it is described, giving your tenants a chance to confirm that the condition is as stated. Remember, this is your tenant's opportunity to raise any issues that they have with the way you say your property is presented, so do not be afraid to make changes to the Inventory at this stage if you agree that an item is not as it appears in your document. Your tenants will not be able to change things once they have signed the Inventory and you should treat the check-in exercise as an affirmation of the detail contained in your Inventory.

You should also agree the meter readings with your tenants, and the number and make of door keys that you give them. You then retain the signed copy of the Inventory which you should copy for your tenants to assist them at the end of the tenancy.

### ► When to carry out a check-in

The best time to check your tenants in to the property is on the first day of the tenancy. It is a good idea to tell your tenants that you want to meet them at the property so that you can go through all the documents at the same time and hand over keys before they move anything in.

Assume that your tenants need to be told everything and do not just give them a copy of the Inventory and ask them to check it in their own time. If you do this, you are likely to get it back weeks later with messy hand-written comments all over it that you may not agree with, and you will end up going back to the property to clarify it anyway.

By taking control of the check-in you can reduce the risk of your tenant later claiming that you did not explain the inventory process clearly enough to him at the beginning.



It is important that you check the tenant in before he moves any personal items into the property. It is nearly impossible to go through the Inventory when you are surrounded by people unpacking boxes and you need the tenant to be focused on the job in hand. It is worth remembering that tenants often cause damage accidentally during the moving-in process and while this may be common it is not something you should be liable for, so you need to make sure that the Inventory your tenant signs details the condition before and not after he starts bringing items into the property.

At the check-in it is a good idea to have prepared a pack for your tenant that welcomes him to the property and contains information and instructions regarding his tenancy. For example you could include:

- Copies of guarantees or extended warranty documents. You may be liable for repairs and maintenance but it is useful for the tenant to have this information to hand in case they need to liaise with a maintenance contractor or prove purchase of goods.
- Service contract information, such as British Gas 3\* cover. It is useful for the tenant to hold this information in case of an emergency and usually any engineer who calls will need to see copies of your paperwork.
- Instructions on how to work the appliances.
- Useful telephone numbers for cleaners and gardeners.
- Contact information for utility suppliers and serial numbers of the meters at the property.
- Council tax information.
- Whom to contact in emergencies.
- Any handy local information (e.g local shopping and transport) that will make your tenants feel at home.

The check-in is also a good time to make your tenants aware of what you expect of them when they move out of the property. If you include this information in the Inventory, you can advise your tenants accordingly so that when they sign the document they will also be confirming that you have explained their vacating responsibilities to them.