



Fair Wear & Tear, Betterment & Apportionment



At the end of the tenancy when considering deductions, Landlords/ Agents must apply the principle of fair wear and tear to the condition of their property.

Legally, a landlord should not be either financially or materially in a better position than they were in at the commencement of the tenancy or than they would have been at the end of the tenancy having allowed for fair wear and tear.

The landlord is not entitled to charge the tenant the full cost for having any part of their property, fixtures or fittings put back to the condition it was at the start of the tenancy, this would be betterment.

What is Fair Wear and Tear?

A very important rule is that fair wear and tear refers only to the 'condition' and not the 'cleanliness' of a property or item. The property must be left cleaned to the same standard at the end of the tenancy as it was at the beginning, no matter if the tenancy lasted six months or four years!

In essence, fair wear and tear is the deterioration of an item or area due to its age and that which would be reasonably expected over the course of a tenancy, that is not due to the tenant's actions or omissions.



For example, deterioration such as scuff marks, scratches and wear to flooring is unavoidable in all properties. You must consider whether the deterioration is reasonable, or excessive, for the number of people and whether there are any pets living in the property. The key question is always, what part of any deterioration would have happened naturally anyway and is considered 'reasonable'? Or is the damage 'unreasonable' if it is over and above what is normal use, considering all the circumstances?

At the end of the tenancy, you must make allowances for:

- The age, quality and condition of the item at the start of the tenancy
- The average useful lifespan of the item
- The expected usage of such an item
- The number and type of occupants in the property
- The length of the tenancy
- The Check Out at the property will be compared against the Inventory taken at the start of the tenancy.



What is Betterment?

Betterment is where the property is improved in value above the condition at the start of the tenancy. Any tenancy deductions must therefore consider fair wear and tear and whether a repair or replacement is the most appropriate remedy.

Example 1 – A stain to a carpet

This can be remedied by repair, usually professional cleaning. If the cost to clean the carpet is £50 but the landlord decides to replace the carpet at the cost of £500, the landlord cannot lawfully charge the tenant for the cost of replacement. The landlord would be able to request the cost of cleaning the carpet to be deducted from the tenants deposit.

Example 2 – Severe damage to carpet

If the damage is so extensive it affects the property quality and achievable rent, it will be more appropriate to replace it. If the carpet is replaced, the landlord would not be able to charge the tenant the full cost due to wear and tear, and must apportion a cost to the tenant.

Here is a Betterment formula that would be used in this case:



A	The replacement cost of a similar carpet	£500
B	Age of carpet	2 years
C	The expected lifespan of the carpet	10 years
D	The remaining lifespan of carpet (C-B)	8 years
E	Annual depreciation (A ÷ C)	£50 per year
F	The apportioned cost to the tenant (D X E)	£400

The expected lifespan of the carpet should reflect the items outlined in the fair wear & tear allowances.

Examples of Expected Lifespan of Decoration, Appliances & Furniture

Decorations, carpets, furniture, fixtures and fittings all have an assessable lifespan beyond which they have no value even if they are still in place and serviceable. Similarly, a washing machine may still be useful after 5 years but be fully depreciated and therefore have no monetary value.

The quality of goods and furnishings can differ, the table below shows how allowances will be apportioned unless you provide copies of warranties and/or guarantees confirming extended life expectancy before the commencement of the agreement.



DECORATIONS

Hall, Stairs & Landing
Living Room
Dining Room
Kitchen & Bathrooms
Bedrooms

EXPECTED LIFESPAN

Between 2-3 years
4 years
4-5 years
2-3 years
4-5 years

CARPETS/FLOORING

Budget quality
Medium quality
High quality

EXPECTED LIFESPAN

Between 3-5 years
5-6 years
7-10 years

WHITE GOODS & FURNISHINGS

Washing machine
Cooker/Oven/Hob
Fridges
Small electrical goods
Lawnmower
Furniture

EXPECTED LIFESPAN

Between 3-5 years
4-6 years
4-5 years
2-4 years
2-3 years
3-6 years



Deposit Disputes

If deductions cannot be agreed, the deposit may be sent to dispute through the deposit scheme arbitration service. The arbitrators are independent and will consider evidence produced by landlords/agents and tenants and will decide if the amount claimed by the landlord is fair.

The onus is on the landlord/agent to show that the landlord has suffered a loss from the tenant's breach of their tenancy obligations. This is where an Inventory is so important as this is clear agreed confirmation of the property and its contents at the start of the tenancy.

Should you wish to find out any further information, please contact one of our Property Management team who will be able to provide further information.



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