

# LendInvest Property Letting Requirements

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1. The property must only be let in a manner which complies with any requirements of your offer and these property letting requirements which contain our requirements for letting the property from time to time.
2. You must have vacant possession of the whole of the property at completion unless you are letting or acquiring the property in compliance with our property letting requirements.
3. You must not grant or agree to grant a lease, licence or other occupational arrangement unless it complies with these letting requirements.
4. We can vary any of the provisions of these letting requirements and introduce new or additional provisions relating to the letting of the property where we consider it reasonable to do so. Without limiting this general right, some (non-exhaustive) reasons why we typically may do so would include to reflect changes in the law or regulation, in letting practice, in the property market, in the practices of mortgage lenders generally, or in our risk profile.

We will give you at least 1 month's notice of any change to these letting requirements. If the property was let subject to an Acceptable Tenancy, an Acceptable Holiday Let, or an Acceptable Commercial Lease before a change, it will remain as such for the unexpired term of that tenancy or holiday let, subject to the following jurisdictional requirements;

## A. Residential Letting Requirement

5. Neither you nor any related person of yours may occupy the property at any time. A related person means your spouse, civil partner, parent, grandparents, brother, sister, children, grandchildren, or any person (whether or not of the opposite sex to you) whose relationship to you has the characteristics of the relationship between husband and wife.
6. You must not market, advertise or otherwise offer the property for letting unless you have complied with all pre-marketing requirements applicable to the proposed tenancy, including (without limitation):
  - a. any duty to ensure there is an active landlord entry and an active dwelling entry on the private rented sector database, and to include any required unique identifiers in any written advertisement; and
  - b. any duty for the landlord to be a member of any landlord redress scheme and/or any prohibition on marketing where such membership is required, in each case as required under and in accordance with the Renters' Rights Act 2025 and any regulations made under it.
7. The property must only be let either:
  - a. on an Acceptable Tenancy which is registered on the Private Rented Sector Database (where required by law); or
  - b. as an Acceptable Holiday Let, provided that your offer contains a special condition explicitly permitting the property to be let as a holiday let and the letting is a genuine short-term holiday let within the meaning of the Renters' Rights Act 2025.
8. Where the property is let on an Acceptable Tenancy any agreement for the letting of the property:
  - a. must be in writing;

- b. must prohibit the tenant from occupying the property other than as a private residential dwelling and from using the property for any business purpose;
  - c. must prohibit the tenant from assigning, sub-letting or parting with possession of the property or allowing any person to occupy it (other than, in the case of a letting to an Acceptable Corporate Tenant, where occupation is permitted by an individual or individuals whose rights of occupation do not extend beyond the term granted to the Acceptable Corporate Tenant);
  - d. prohibit the tenant from making any alterations to the property or from allowing the property to fall into disrepair;
  - e. must require rent to be paid at monthly intervals (or, in the case of lettings to an Acceptable Corporate Tenant, at monthly or quarterly intervals) and, in the case of an assured tenancy in England, must not require or permit rent to be payable in advance other than to the extent permitted by applicable law;
  - f. where the property is in England, must allow the landlord to seek possession on any grounds permitted under Schedule 2 to the Housing Act 1988 (as amended from time to time) and in accordance with section 8 of that Act, using any prescribed notices and observing the applicable statutory notice periods. The tenancy must not impose any contractual restriction that would prevent or materially delay reliance on any such ground. The tenant must be permitted to terminate the tenancy by giving not less than the minimum notice required by law;
  - g. must provide that any increase of rent under an assured tenancy in England may only take effect in accordance with the statutory procedure for rent increases (including service of the appropriate statutory notice, and recognising the tenant's right to refer the proposed rent to the tribunal), and must not contain any term that is of no effect under that regime;
  - h. where the property is in Scotland must comply with the termination requirements of the Private Housing (Tenancies)(Scotland) Act 2016; and
  - i. where the property is in Wales and is being let on a standard occupation contract in accordance with the Renting Homes (Wales) Act 2016 for a fixed term, contains a break clause allowing the landlord to terminate on a minimum of 6 months' notice in accordance with the Renting Homes (Wales) Act 2016.
9. (England only) any assured tenancy must reflect the implied term relating to pets, including that the tenant may request consent in writing, the landlord must give or refuse consent in writing within 28 days (subject to the permitted extensions where further information or superior landlord consent is required), and consent must not be unreasonably refused."
10. (England only) you and any letting agent acting for you must not require, invite or accept any payment of rent prior to the commencement of a tenancy other than to the extent expressly permitted by applicable law, including any permitted holding deposit or other lawful advance payment.
11. Prior to allowing any person to occupy the property under an Acceptable Tenancy you must first:
- a. Obtain (and produce to us when requested) references which are reasonably satisfactory to us as to the ability of that person to pay the rent and their character including a credit check from a reputable credit reference agency and a personal reference in relation to their ability to pay the rent;
  - b. Carry out a 'Right to Rent' check to ensure that the tenant has the right to rent property in the UK;
  - c. Obtain a rent deposit. In England, for an assured tenancy, this must be capped at 5 weeks' rent if the annual rent is less than £50,000 and 6 weeks' rent if it is £50,000 or more. The deposit must be protected in an authorised scheme;
  - d. Receive payment of the first month's rent on or after the commencement of the tenancy and, in the case of a property in England, must not require or accept more than one month's rent in advance or any other rent payment in advance except to the extent permitted by applicable law;

- e. Prepare a detailed inventory of the contents and condition of the property, a copy of which must be signed by each prospective tenant and held by you or your agent (and you must provide a copy of this to us upon request);
- f. where the property is in England, ensure that you and the property are registered on the Private Rented Sector Database and that you are a member of an approved Landlord Redress Scheme;
- g. comply with any legal requirements as to the entry into of the relevant tenancy agreement and without limiting this;
- i. if the property is in England, you must comply with the provisions of the Relevant Acts (including the Housing Act 1988 as amended by the Renters' Rights Act (2025), including, but not limited to:
  1. Providing a valid gas safety certificate for the property to the tenant.
  2. Providing the current version of the 'How to rent: the checklist for renting in England' to the tenant.
  3. Providing a valid Energy Performance Certificate for the property to the tenant.
  4. Ensuring that the requirements relating to smoke alarms and carbon monoxide alarms in the property have been complied with.
  5. Ensuring that you have a valid electrical safety certificate (known as an EICR) for the property.
  6. Providing the tenant with a written statement of the tenancy terms before the tenancy begins (as required by Section 1 of the RRA 2025)

and provide such evidence of compliance as we request from time to time;

ii. If the tenancy agreement is a standard occupation contract in accordance with the Renting Homes (Wales) Act 2016 you must comply in full with the requirements of the Renting Homes (Wales) Act 2016 and provide such evidence of compliance as we request from time to time;

iii. if the property is located in Scotland and if:

1. The tenancy agreement is a short assured tenancy you must comply in full with the requirements of the Housing Scotland Act and provide such evidence of compliance as we request from time to time; or
2. the tenancy agreement is a private residential tenancy you must comply in full with the requirements of the Private Housing (Tenancies) Scotland Act 2016 and provide such evidence of compliance as we request from time to time; and

iv. comply with any requirements under the Immigration Act 2014.

12. You must ensure that in respect of an Acceptable Tenancy:

- a. You promptly give us a copy of the relevant tenancy agreement when requested;
- b. Where the property is located in England, each tenancy deposit held in respect of any assured tenancy must be protected in an authorised scheme in accordance with the Housing Act 2004 (as amended) and all prescribed information and initial scheme requirements must be complied with within the applicable statutory time limits. The landlord must not serve any notice or commence proceedings for possession where non-compliance with those requirements would prevent or restrict recovery of possession, subject to any statutory exceptions;
- c. Where the property is located in Wales, each rent deposit held in respect of any standard occupancy contract has been properly protected in accordance with the Renting Homes (Wales) Act 2016 and that all prescribed information has been supplied to the tenants;
- d. where the property is located in Scotland, each rent deposit held in respect of any short assured tenancy or private residential tenancy has been properly protected in accordance with any

requirements of the Tenancy Deposit Schemes (Scotland) Regulations 2011 and that all prescribed information has been supplied to the tenants;

- e. You keep a clear record of all payments due and payments received. Where a rent increase is proposed for a property in England, you must comply with the statutory procedure under Section 13 of the Housing Act 1988 (as amended), providing the applicable statutory notice on the prescribed form and otherwise complying with section 13 of the Housing Act 1988 (as amended from time to time) on the prescribed form and ensuring that the increase occurs no more than once annually and not within the first year of the tenancy;
- f. You take all steps necessary to ensure that the terms of any Acceptable Tenancy and related legal rights you may have are enforced and not waived or modified without our consent (which we will not withhold or delay unreasonably);
- g. Prior to any determination of occupation of the tenancy you prepare a detailed inventory of the contents and condition of the property and a schedule of dilapidations from the date upon which the tenant first took occupation of the property (and you must provide a copy of this to us upon request);
- h. (England only) you must maintain any required active and up to date landlord and dwelling entries on the Private Rented Sector Database in accordance with the Renters' Rights Act 2025 (as amended from time to time) and maintain membership of any landlord redress scheme required by applicable law, and must not serve any notice or commence proceedings for possession at a time when non-compliance with those statutory requirements would prevent or restrict the court from making an order for possession, subject to any statutory exceptions;
- i. You do all other such things that a prudent landlord would normally do.

13. Where the property is let as an Acceptable Holiday Let (which is only permitted where explicitly authorised by a special condition in your offer):

- a. Any agreement for the letting of the property must be in writing, comply with any legal requirements applicable to the agreement and prohibit the guest from carrying on a business from the property;
- b. The agreement must explicitly state that the letting is a "holiday let" within the meaning of Paragraph 9 of Schedule 1 to the Housing Act 1988 and is not intended to create an assured periodic tenancy;
- c. Before the guest occupies the property, you must:
  - i. receive payment for the booking;
  - ii. prepare an inventory of the contents and condition of the property; and
  - iii. verify that the guest has a primary residential address elsewhere and that the property is not being occupied as their only or principal home; and
- d. You must ensure that no guest occupies the property for a continuous period exceeding 28 days without our prior written consent;
- e. You must ensure that you:
  - i. keep a clear record of all payments due and payments received;
  - ii. comply with the anti-avoidance provisions of Section 31 of the Renters' Rights Act 2025; and
  - iii. do all other things a prudent holiday let provider would normally do.

14. You must comply with all legal requirements, and hold any licences or other authorisations necessary, relating to the letting of the property. This includes, without limitation;

- a. Where the property is located in England, maintaining an active entry on the Private Rented Sector Database for both the landlord and the property and maintaining membership of an approved Landlord Redress Scheme;

- b. Where the property is a House in Multiple Occupation (HMO) under the Housing Act 2004 or any other applicable legislation, complying with all licensing requirements and management regulations;
- c. Complying with the statutory prohibitions on 'No Benefit' and 'No Children' policies as set out in sections 34 to 36 of the Renters' Rights Act 2025 (as amended from time to time);
- d. Complying with any selective licensing schemes operated by the relevant Local Authority.

You must be able to provide us with evidence of the above if requested.

15. Where the property is located in England, upon the coming into force of the relevant provisions of the Renters' Rights Act 2025, any existing assured shorthold tenancy shall, by operation of law, be treated as an assured periodic tenancy and, from the date of such conversion, the concept of an "unexpired term" shall cease to apply. From that time, you must comply with our updated requirements applicable to assured periodic tenancies, including providing any statutory information required to be given to tenants within the period prescribed by law (currently including provision of the statutory Information Sheet by 31 May 2026).

## Defined terms

For the purposes of these property letting requirements:

**"Acceptable Corporate Tenancy"** means an agreement for the letting of the property to an Acceptable Corporate Tenant where the form and entry into it complies with these property letting requirements and which is either:

- a. a fixed term lease for a term of
  - i. no more than 3 years where the tenant is a limited company or an educational institute; or
  - ii. no more than 5 years where the tenant is a housing association or a local housing authority; or
  - iii. any other form of agreement to which we have consented in writing.

**"Acceptable Corporate Tenant"** means any of the following:

- a. a limited company incorporated under the Companies Acts with its registered office in England, Wales or Scotland;
- b. a housing association registered under the Housing Association Act 1985;
- c. a local housing authority; or
- d. any other corporate body to which we consent in writing.

**"Acceptable Holiday Let"** means letting the property commercially under an agreement as furnished holiday accommodation to members of the public who are not related persons.

**"Acceptable Tenancy"** means an agreement for the letting of the property (other than to an unacceptable tenant) where the form and entry into it complies with these property letting requirements and which is either:

- a. (if the property is in England) Assured periodic tenancy (rent at or below £100,000 p.a.) an assured tenancy within the meaning of Chapter 1 of Part 1 of the Housing Act 1988 (as amended) and which is not excluded by Schedule 1 to that Act, which:
  - i. is a periodic tenancy;
  - ii. provides for rent periods not exceeding one month;
  - iii. does not include any term which purports to grant a fixed term or which is otherwise prohibited or rendered unenforceable by the Renters' Rights Act 2025 or any regulations made under it; and
  - iv. permits the landlord to recover possession only in accordance with section 8 of the Housing Act

1988 and Schedule 2 to that Act (as amended from time to time), using any prescribed notices and observing the applicable statutory notice periods.

- b. High rent tenancy (rent above £100,000 p.a.) where the annual rent exceeds the statutory threshold for an assured tenancy under Schedule 1 to the Housing Act 1988 (as amended from time to time), a tenancy which is not an assured tenancy and which:
  - i. is for a term of no more than 12 months;
  - ii. requires rent to be paid monthly; and
  - iii. contains landlord termination provisions enabling the landlord to recover possession on terms no more onerous than those applicable to an assured tenancy under section 8 and Schedule 2 of the Housing Act 1988 (as amended), and which do not include any contractual restriction that would prevent or materially delay lawful recovery of possession.
- c. (if the property is in Wales) a single occupation contract for fixed or periodic term of no greater than 12 months and which is a standard occupation contract within the meaning of the Renting Homes (Wales) Act 2016;
- d. (if the property is in Scotland) a:
  - i. Short assured tenancy; or
  - ii. following commencement of the Private Housing (Tenancies) Scotland Act, a private residential tenancy; or
- e. an acceptable corporate tenancy; or
- f. any other form of agreement to which we have consented in writing.

**“Relevant Acts”** means the Housing Act 1988, the Housing Act 1996, the Landlord and Tenant Act 1987, the Deregulation Act 2015, the Renters’ Rights Act 2025, and any statutory modification, amendment, re-enactment or replacement of them, together with all regulations and subordinate legislation made under them from time to time.

**“Unacceptable Tenant”** means any of the following:

- a. a person prohibited from occupying the property as set out in condition 5 of these property letting requirements;
- b. local authority tenants (unless our prior written consent, which shall not be unreasonably withheld, has been obtained);
- c. any person in relation to whom granting the tenancy would be unlawful or would breach any applicable insurance requirement, or where refusal is otherwise permitted as a proportionate means of achieving a legitimate aim (and, for England, the landlord and any agent must not refuse a prospective tenant or apply any policy/criterion in a way that breaches the Renters’ Rights Act 2025 restrictions relating to children or benefits claimants);
- d. an educational institute being a university, a university college or a publicly funded further education or higher education college (unless our prior written consent, which shall not be unreasonably withheld, has been obtained);
- e. a person with diplomatic immunity;
- f. a person who is an employee of the borrower;
- g. a person occupying the property as an Acceptable Holiday Let;
- h. a corporate entity not being an Acceptable Corporate Tenant; or
- i. any other person designated by us as an unacceptable tenant under the property letting requirements.

16. The provisions set out in these Commercial Property Letting Requirements apply only where your offer explicitly states that the property is being financed under a semi-commercial Buy-to-Let (BTL) product. Where the property is subject to such an Offer and comprises a mixed-use arrangement with elements of both residential and commercial uses, these commercial requirements shall apply to the

## B. Commercial Property Letting Requirements

commercial parts of the property, and our Residential Property Letting Requirements shall apply to the residential parts. If your Offer does not specify a semi-commercial BTL product, these Commercial Property Letting Requirements shall not apply.

17. The property must only be let on an Acceptable Commercial Lease and no other form of occupational interest may be granted or allowed for the property.

18. Where the property is in England or Wales, unless we agree otherwise, the lease must:

- a. must be contracted out of the security of tenure provisions of the Landlord and Tenant Act 1954; and
- b. the statutory procedure prescribed by the Landlord and Tenant Act 1954 must be properly completed prior to the grant of the lease.

19. The lease must provide that the rent reflects open market rental value.

20. The rent must not be materially below the open market rental value or estimated rental value of the property without our prior written consent.

21. Artificial or non-commercial rent structures designed to inflate or distort the rental value or valuation of the property are not permitted.

22. Where the lease term exceeds five years the lease must include rent review provisions.

23. Rent reviews must normally:

- a. occur every 3 to 5 years; and
- b. be based on open market rental value.

24. Letting incentives must be commercially reasonable.

25. Unless we approve otherwise:

- a. rent-free periods must not exceed one month for each year of the lease term; and
- b. incentives must not exceed 12 months rental value in total.

26. Turnover rent arrangements are not permitted.

27. The lease must require the tenant to use the property only for the permitted commercial use specified in the lease. The lease must prohibit:

- a. unlawful use;
- b. use which breaches planning permission;
- c. residential occupation unless expressly authorised.

28. Unless otherwise approved by us, the lease must be granted on a full repairing and insuring basis (FRI) or on terms having an equivalent economic effect.

29. The tenant must be responsible for maintaining the property in good and substantial repair and condition.
30. The lease must provide that:
  - a. the landlord insures the property;
  - b. the tenant reimburses the landlord for insurance premiums;
  - c. the tenant complies with insurance conditions.
31. Insurance proceeds must normally be applied to reinstatement.
32. The lease must prohibit structural alterations without landlord consent.
33. Material alterations must not be carried out without landlord approval.
34. Where the lease relates to a property in England or Wales:
  - a. the lease must restrict assignment, underletting and sharing occupation; and
  - b. sharing of occupation is only permitted with another Group Company as defined by the Landlord and Tenant Act 1954 and no relationship of landlord and tenant shall be allowed to arise.
35. Where the lease relates to a property in Scotland:
  - a. the lease must restrict assignment, sub-letting, and sharing occupation; and
  - b. Sharing of occupation is only permitted with another Group Company as defined by Section 1159 of the Companies Act 2006 and no relationship of landlord and tenant shall be allowed to arise.
36. Where the property forms part of a multi-let building or estate the lease must include service charge provisions enabling recovery of:
  - a. maintenance costs;
  - b. estate costs;
  - c. management costs.
37. Service charge provisions must reflect standard commercial leasing practice.
38. Before granting a lease you must assess the tenant's financial covenant strength and satisfy yourself that it is sufficient to observe the tenant covenants of the lease. This may include obtaining:
  - a. financial accounts;
  - b. credit checks;
  - c. References;
  - d. Guarantees;
  - e. rent deposits.
39. Where the tenant:
  - a. is newly incorporated;
  - b. is a special purpose vehicle; or
  - c. has weak covenant strength,

you must obtain a director or parent company guarantee unless we agree otherwise.

40. Where the tenant covenant is weak you must obtain a rent deposit. Unless agreed otherwise, the deposit should normally be an amount equal to 3–12 months' rent plus a VAT equivalent sum at the prevailing rate of VAT as at the date any rent deposit deed is entered into.

41. You must establish separate bank accounts for each rent deposit that you are holding, which must be ring fenced from your general trading funds, unless we agree otherwise.

42. Before granting a lease you must:

- a. confirm that the tenant is not an Unacceptable Tenant;
- b. confirm that the proposed use complies with planning law;
- c. ensure the lease complies with these letting requirements.

43. Where the property is let you must:

- a. provide us with a copy of the lease when requested;
- b. maintain clear rent records;
- c. enforce tenant obligations (including for the avoidance of doubt actively pursuing any arrears of rent or other sums due under the lease or leases of the property).

44. You must not without our prior consent:

- a. vary the lease;
- b. agree a regrant or surrender or re-grant of the lease;
- c. grant any option or right affecting the property;
- d. grant additional incentives; or
- e. enter into a side letter.

45. You must not enter into any side letter, collateral agreement, or informal arrangement with a tenant which alters the economic terms of the letting without our prior written consent.

46. You must not grant a lease or occupational arrangement which would materially reduce the value of the property as security for the loan. We may require confirmation from a valuer or letting agent that the lease has been granted on market terms.

47. You must comply with all legal requirements relating to the letting and occupation of the property including (but not limited to):

- a. planning law
- b. building regulations
- c. fire safety legislation
- d. environmental law
- e. health and safety legislation
- f. Equality Act 2010

48. You must maintain proper records relating to:

- a. Leases;
- b. rent payments;
- c. deposits and guarantees;
- d. tenant correspondence.

49. You must do all other things that a prudent commercial landlord would normally do in relation to the letting and management of the property.

### **Defined terms**

**“Acceptable Commercial Lease”** means a lease granted in compliance with these letting requirements.

**“Acceptable Commercial Tenant”** means a tenant whose covenant strength is reasonably satisfactory.

**“Related Person”** has the meaning given in clause 5.

**“Unacceptable Tenant”** means:

- a. the borrower or any related person;
- b. connected companies of the borrower without consent;
- c. any person whose occupation would be unlawful; or
- d. any tenant whose covenant strength is insufficient.

LendInvest Property Letting Requirements.

**Borrowing through LendInvest involves entering into a mortgage contract secured against property.**

**Your property may be repossessed if you do not keep up repayments on your mortgage.**