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A fashion of letting a room is growing rapidly in Edinburgh and this trend is mounting on rise with the help of some positive steps taken by the government. Government has introduced rent-a-room schemes which offer clear tax advantages. In this matter the people who rent out the property are exempted from tax. This initial step has increased this trend. However a landlord has to consider the rights of tenant and these rights must be mentioned in the agreement.

Advantages and disadvantages of letting a room

There is a certain amount of rent to exempt form tax if this amount has increased from the limit which is fixed by the government then you have to pay tax. If you are exempted then you will have not to pay rent with tax. However, if the total amount (including expenses) is more than this limit then you still have to declare it and pay a tax on it.

Finding the right tenant

If you want to find a right tenant then you should advertise for your property in all the right places. For this purpose you can use local newspapers, college/university boards, internet etc. If you add photos of the property in advertisement then it will work. Advertisements with photos attract more tenants and the ones contacting you are aware of what to expect. It is imperative that you should describe your property smartly and highlight its features. If it has cable and broadband connection, you should mention it. Donâ€™t forget to describe the transport, dining and shopping facilities around your property. If you are looking for a particular kind of a tenant, e.g. student or a professional then you must add this as well.

That would be the best idea to arrange a meeting with potential tenants in order to select the one who is more likely to pay the rent and is close to your ideal tenant.

People who can rent out rooms in their property

You should consider if property is on mortgage then first you have to check with your lender to see if letting out a room is within the terms and conditions. If it is with in the terms conditions then you can surely rent out a room. Besides this, you can also use the scheme if your house is also on rent. The term of your lease also allow you to do so. Last of all, in case of your own property and you are also using it as your main residence, you can still take advantage of the scheme.

Entering into a right kind of an agreement

A good tenancy agreement must have details of all the rights and duties of the tenant, so that both the parties know what to expect from each other. The tenancy agreement should consist of the period of the tenancy, the deposit, set period of notice in order to terminate the contract or vacate it etc.

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