

## **TERMS AND CONDITIONS FOR THE LETTING & MANAGEMENT OF A RESIDENTIAL PROPERTY**

### **STANDARD SERVICES**

Visit the property, take details of accommodation and give advice on achievable rent.

Prepare property detail sheets for circulation to potential tenants. Advertise locally as appropriate. Should additional advertising be required, the cost must be met by the client and agreed in writing.

Arrange viewing appointments for prospective tenants and accompany them when the property is vacant.

Obtain satisfactory tenant references.

### **TENANT ONLY SERVICES**

**DEPOSIT** –At least one months rent is lodged by all tenants as a security deposit against dilapidation at the commencement of a tenancy in addition to rental payments.

In addition to standard services which are not covered under the letting fee, the following are available for fees noted on page 7.

**TENANCY AGREEMENTS/INVENTORIES** (including check-ins) – As detailed in ‘Full management’.

**UTILITIES** – Unless separately negotiated, no meter or gauge readings are taken or subsequently notified to the relevant authority for clients.

### **FULL MANAGEMENT SERVICE**

In addition to the standard service.

### **TENANCY AGREEMENT**

The agent will advise the client of the appropriate tenancy agreement best suited for the clients’ requirements. The contract will be drawn up with the correct statutory notice under the terms and conditions of the 1988 Housing Act using a standard form of agreement unless otherwise directed by the client. Should the client wish to use a separately drawn up agreement, the agent cannot be held responsible for any cost incurred or disputes arising from the said agreement.

## **INVENTORY**

After instruction – The agent will prepare a detailed inventory of the condition and contents of the property. Minor ornaments will not be recorded and no responsibility is accepted by the agent for the testing of electrical equipment or any items stored. Locked areas will not be checked.

Check-in Tenant – The agent will attend the property at commencement of tenancy and carry out an inventory check with the tenant who signs acceptance if agreed.

Check-out Tenant – The agent will attend at cessation of tenancy and check the inventory and condition of property. When checking condition the agent makes allowance under 'Wear and tear' and for small minor breakages.

At cessation of the tenancy agreement, in the unlikely event of dilapidation amounting to a sum in excess of the deposit held, the agent accepts no responsibility for the cost of carrying out repairs at the property, replacing items, or accept responsibility for any legal costs in connection with any action brought against the tenant. Legal costs may be recovered if a 'Managed Letting Protection Policy' is held. Tenants live in property for which reasonable rent is paid and normal wear and tear may necessitate some redecoration or other work on re-occupation.

## **UTILITIES**

Gas/Electric/Service companies/Local Authorities – Meter readings in respect of gas and electricity are not the responsibility of the agent.

Telephone- The client should notify the phone company direct on moving, that the service is no longer required. However, it is appreciated if a request is made for the line to be left connected for the incoming tenant. A forwarding address will be required by the phone company for settlement of the final account.

Oil Central Heating – It is advisable that tanks be left near empty unless the property is on an estate feeder system. Whilst the agent will try to obtain readings, gauges and dipsticks are not always reliable and this can often lead to disputes at a later stage, which the agent CANNOT be held responsible.

## **RENT**

Rent will be collected from the tenant and the balance of rent less commission and any costs incurred will be paid directly into a bank account of the landlords nomination. It should be noted that when rents are collected they will not be credited to the nomination bank account until at least 3 working days pass due to a banking delay involved in clearing cheques and standing orders plus the time involved in preparing monthly statements. Whilst every effort is made to ensure rents are collected promptly from tenants, no responsibility can be accepted by the agent for delays in collecting rents or non-payment of rent by the tenants. Monthly statements will be forwarded to the landlord detailing all income and expenditure for the period.

## **DEPOSIT**

At least one months rent is usually lodged by all tenants as a security deposit against dilapidation at the commencement of the tenancy in addition to rental payments. The agent may earn interest on deposits lodged.

## **OUTGOINGS**

Upon the appropriate notification the agent may pay current outgoings such as ground rent, water rates, insurance premiums and any service charge similar, on the landlords behalf and these payments will be shown as a deduction on the monthly statement. Although every endeavour is made to query discrepancies, please note that the agent is entitled to accept and pay without question demands and accounts, which appear to be in order. The agent cannot accept responsibility for the inadequacy of any insurance cover for the verification of service/maintenance charge demands or estimates, where applicable.

## **REPAIRS AND REPLACEMENTS**

Please note if electrical appliances in the property need to be repaired, the cost of such repairs will be the responsibility of the landlord.

Minor works – For major repairs and redecoration etc, quotations and landlord approval will be sought prior to work being carried out and an additional supervisory fee of 10% plus VAT if the total cost will be charged for this work. If the agent has insufficient funds to cover the work, the outstanding balance will be requested from the landlord prior to the work being carried out.

Emergencies – If an emergency, or if there is a statutory requirement to do so, the agent reserves the right to arrange for whatsoever work is deemed necessary to be carried out without first consulting the landlord if DIRECT CONTACT CANNOT BE MADE.

## **INSPECTIONS AND DEFECTS**

The agent will attempt to carry out two internal inspections within the first initial six months (should additional inspections be required, a charge will be levied per visit). During the course of the visit the agent will investigate defects, which come or are brought to their attention. It should be appreciated that the inspections will only expose obvious defects and cannot amount in any way to a structural survey of the property. The agent cannot accept responsibility for hidden or latent defects.

## **TERMS OF MANAGEMENT APPOINTMENT**

The term of appointment shall run from the date at which the letting of the property commences until the cessation of the tenancy agreement unless a special arrangement has been made (see void periods).

The appointment can be terminated by the agent with one months written notice, the agent however, reserves the right to transfer the management of the property to an alternative competent agent without giving prior notice should the agent be unable to continue to provide a full management service for any reason whatsoever.

The agent shall place sufficient funds at the commencement of letting and during the term of management to enable him to meet all expenditure presented to the next rent collection. It is essential that the agent hold a working balance to undertake these obligations.

The agent shall be entitled to the benefit of any interest earned on monies held by him whilst carrying out his duties.

The landlord can terminate this agreement at any time with three months written notice to the agent. The agents termination fee is one months rent.

### **BREACH OF TENANCY AGREEMENT**

The landlord will be informed of any rent arrears or breach of contract brought to the agents attention. If it is necessary for legal action to be taken, the landlord will be responsible for any legal fees incurred although costs may be recovered from the tenant, subject to a court order from MLPP insurance.

### **TAX MANAGERS ACT**

For the landlords of furnished properties residing abroad, **HM Revenue will hold the agent responsible for payment** for any tax liability arising from rents collected by the agent on the landlords behalf. To comply with this law the agent will deduct tax at basic rate from all net income received and hold the amounts deducted to the landlords credit until all tax liabilities have been agreed with HM Inspector of Taxes (this ruling also applies if a landlord, initially residing in the UK moves overseas).

All tax reserve monies deducted will be placed in an individual Building Society deposit account with interest earned for the landlords benefit. Once all tax liabilities have been met and the agent has had confirmation from Inland Revenue to this effect, the balance of all monies, including interest, held be the agent, will be credited to the landlords account. If the landlord has or wishes to appoint a tax consultant in the UK to handle the tax affairs, a letter of confirmation and full details must be furnished to the agent.

Alternatively, the agent will make the necessary returns regarding the said rental income to the Inland Revenue on the landlords behalf.

### **HOUSING ACT**

Application for market rent or appearances before the Rent Committee or any other court tribunal will be by special arrangement only and will form the subject of an additional charge.

## **LANDLORDS LEGAL INSURANCE**

The 'Managed Letting Protection Policy' (MLPP), is available for managed properties only, subject to the insurers conditions. The cover includes dispute and settlement service, which pays the legal cost of a leading firm of solicitors. It will provide a loss of rent indemnity of up to £25,000 together with a legally supported eviction service, which will help in meeting the cost of alternative accommodation, should your tenant fail to vacate your home on the date agreed. A copy of the policy wording is available on request.

## **VOID PERIODS**

The 'Management Service' does not include property supervision when un-let, although during re-letting periodic visits will usually be made by agency staff. Should a landlord wish his property to be 'Managed' during void periods, there will be an additional monthly charge depending on the level of work involved and frequency of visits. The agent will require £200.00 to hold to cover day to day running expenses during managed void periods. It should be noted that some insurance companies require regular visits to vacant properties.

In the event of a fire, storm or damage to the property between tenancies, the agent, if instructed by the landlord, will assume responsibility on the landlords behalf to liaise with insurance companies, loss adjusters or other authorities that may be involved. The fee for this service is charged on a pro-rate basis with a minimum fee of £50.00.

## **SPECIAL NOTES**

### **LANDLORDS RESPONSIBILITIES (WHERE APPLICABLE)**

Mortgages – Prior to commencement of letting the landlord **MUST** obtain permission from the lending source. The agent will provide the lender with a copy of the proposed tenancy agreement and answer any queries in relation to the proposed letting, if required.

Leaseholds – The landlord **MUST** obtain written permission from the freeholder to sub-let if so requires within the terms of the lease and ensure that the tenancy is for a period expiring **PRIOR** to the termination of the lease.

Insurance – The landlord **MUST** notify the insurers of contents and buildings of the intention to let. Failure to do so may render policies invalid. It is advisable to obtain written confirmation from the insurers that the intention to let has been noted.

Mail – Arrangement should be made by the landlord with the post office regarding re-direction.

Fire & Furnishings Fire Safety Amendment Regulations 1993 – All landlords must ensure that all furniture left in the property meets the standard laid out in the above regulations and that upholstered articles have fire resistant filling material and covered fabrics have passed a match resistance test or are used with fire resistant inner linings (guidance notes concerning the legislation are available from the agent). The landlord must be aware that it is an offence, which can carry a custodial sentence, if the regulations are not complied with.

## **PROPERTY SALES TO A TENANT**

In the event of the tenant (or person or corporate body associated with that tenant ) introduced by the agent, subsequently purchasers the said property, whether before, after or during the tenancy, the agent shall be entitled to commission on completion of the sale at a rent of 3% + VAT of the sale price (with a minimum fee of £1200 = VAT).

## **INDEMNITY**

The owner undertakes to ratify whatsoever the agent shall lawfully do by virtue of this agreement and indemnify them against all costs and expensed incurred by them

## **DISCLAIMMENT**

The agent will not be under any liability, which may be imposed directly on the agent by reason of any present or future statutory or similar provision unless responsibility is subject to express written instructions to the agent and the indemnity above shall apply accordingly. The management of the property is undertaken by the agent in good faith. Whilst using their best endeavour to deal with all appropriate matters, they cannot be held responsible for any reasonable omissions or errors arising from this service.

**PLEASE NOTE** – Whilst every precaution will be taken to obtain suitable tenants for the property, no liability is accepted for any information or representation concerning prospective tenants or liability for any loss or expense, however, caused by tenants.

This agreement does not give the agent sole selling or letting rights and the agents fee only becomes payable once the agent has received a signed application form from a person who is willing and able to enter into a tenancy agreement. If the property is subsequently withdrawn from the letting market by the owner once the agent has received a signed application, the agent is still entitled to receive his full or initial letting fee\*.

The Letting Fee is defined as the commission charged for finding tenants when the agent is not requested to ‘manage the property’.

The initial letting fee is defined as the initial one off fee charged when the agent has been instructed to undertake a full letting and management service. The landlord becomes responsible for the agents fee in respect of the preparation of the inventory of statutory conditions immediately the inventory has been prepared. These fees are normally deducted from rents received.

**FEES (ALL FEES ARE SUBJECT TO VAT AT THE STANDARD RATE)**

**Option A – Full Management**

Initial Letting Fee (to include the preparation and checking of inventory and schedule of condition)	£250.00
Monthly Management Commission	11% of rents collected
Re-Letting the property	£225.00
Preparation of the Inventory	£50.00

**IMPORTANT NOTE**

If the landlord wishes to conclude the services of Hooper Homes three months written notice will be required (from an anniversary date). There will be a levy of one months rent.

**Option B – Tenant Only Letting Fee**

(including preparation of the Tenancy Agreement)	£Four weeks rent.
Inventory and Schedule of Condition preparation	£ 50.00
Inventory Checks	£ 25.00
Re-Letting (if re-instructed within 12 months of the commencement date of the original Tenancy Agreement)	£150.00

**IMPORTANT NOTE**

The agent reserves the right to charge a fee of £300.00 should we be instructed to rent the property and a suitable tenant is found consequently the client withdraws the property to rent. This fee covers the agents expenses of escorting tenants around and advertising costs which may be incurred.

**ADDITIONAL SERVICES\*\* LETsure contents insurance**

Preparation of income and expenditure statement and liasing with tax authorities on landlords behalf (overseas landlords ONLY)	£ 75.00*
Preparation of income and expenditure statement (UK residents ONLY)	£ 30.00*
Liasing with landlords Tax Consultant and supplying statement and tax liability	*Minimum charge £35

Caretaker, property management and regularly recorded visits to vacant properties £ .....

\* Fees reviewed annually \*\* The agent may earn commission on any insurance policy sold

I/We confirm that I/We are the \*sole/joint owners and I/We \*am/are legally entitled to let the property known as;-

I confirm that the owner(s) .....  
have given \*me/us power of attorney to let the property known as;-

\*I/We have read and understand the terms and conditions and agree to them

\*I/We hereby authorise the agent to sign as agent, on my/our behalf, tenancy agreement and inventories.

(\*Delete as applicable)

FULL MANAGEMENT/LETTING ONLY SERVICE  
(Delete as applicable)

Signed ..... Date .....

Print full name (in capitals) .....

Signed ..... Date .....

Print full name (in capitals) .....

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*A free, fair and independent service for buyers, sellers, tenants and landlords of property in the UK.*