

## **Agency Contract Terms and Conditions**

Full address of property to be let:

Post Code:

Full name of Landlord : Landlord:

Address:

Post Code:

Tel (Work)                      (Mbl)                      (home)

e-mail address:

Agreed initial Rental: £..... per calendar month

Agreed Tenant's Deposit: £.....

Furnished / Part Furnished / Unfurnished

**Cheque Payment preferred YES [ ]                      NO [ ]                      please tick box**

### **Bank Details for funds transfer**

Landlords Bank.....

Account Name.....

Address .....

Account No..... Sort Code.....

**1 Definitions:**

- (1) " the Property" is that known as the Property to be let above and includes reference to any part or parts of the Property and the curtilage of the same, together with the garden, garage and parking space (if applicable).
- (2) "the Tenant" means the person(s) legally entitled to occupy the Property and included the successors in title to the tenant.
- (3) "HomeLet" means the legal protection insured company.
- (4) "the Agreement" means the tenancy agreement between the Landlord and the Tenant.

**2 Fees**

Our commission shall be payable in respect of introducing a Tenant who is acceptable to the landlord or whom the Landlord has given the Agent authority to accept on the Landlord's behalf.

**2.1 The fees for the Letting Service shall be as follows:**

- o £299....., for any letting to a new tenant; and
- o £0.00 for a renewed or extended tenancy to the same Tenant.

**2.2 The fees for the Full Management Service shall be as follows:**

- o £299.00, for any letting to a new Tenant; and a monthly commission of ( 10 ) percent.
- o If the Landlord resides overseas the commission shall be increased by a further 1(one) percent.
- o £299.00 on account of costs for overseas Landlords, to the Agent, in respect of any repairs to the Property which may become necessary. The Agent will not pay interest on any money paid on account costs. At the end of the Agreement, any balance remaining shall be paid to the Landlord.
- o if the tenancy is renewed or extended to the same tenant, the management fee shall continue at the monthly commission of ( 10 ) percent.

**2.3 Advertising fees:**

- o Advertising will be included at the discretion of the Agent.
- o If the Landlord requests additional advertising the Landlord shall pay the Agent a reasonable cost.

**2.4 Deductions:**

- o If before the payment to the Landlord of rental income, collected at the commencement of a tenancy, any fees, charges and repair costs remain outstanding, these shall deducted by the Agent.

**3 Letting Service**

Applicable to both Letting Only and Full Management Service

**3.1 Initial Visit**

The Agent shall upon the request of the Landlord:

- o Inspect the Property to agree an open market rental value; and
- o Discuss the particular requests and/or issues of the Landlord relating to the property.

**3.2 Viewing**

If an interested party wishes to view the Property, the Agents shall arrange for the Landlords to meet or accompany them at the Property.

**3.3 Advertising**

Marketing the property may include advertisements in the local press, internet, internal and window displays on the Agents mailing list or erecting a "For Let" board outside the Property.

**3.4 References**

The Agent shall, for each Tenant, obtain a reference and credit search from a Tenant assessment agency. If the Tenant is a company then a search shall be carried out on the company. Without a satisfactory reference or written consent from the Landlord, no Tenant will be permitted a Tenancy.

The Agent may request the Landlord waive the Agent's liability in the event of any breach of contract by the Tenant.

If the applicant fails to pass the tenant standards:

- o A guarantor shall be required who must satisfy the tenant assessment agency reference; or
- o An agreed amount of rent of the tenancy must be paid in advance and sum agreed with landlord

**3.5 Inventory**

An inventory will be provided (if required) for each new tenancy of any loose items in the property

**3.6 Tenancy Agreement**

Most tenancy agreements are Assured Shorthold Agreements (AST). Once the tenancy commenced, the Tenant is guaranteed possession for six months. If the fixed term is less than six months, and the Landlord wishes to obtain possession, a possession order will be effective after the first six months. A company tenant will use a common law agreement. These agreements are available for inspection upon request of the Landlord. Additions or amendments to the Agreements requested by the Landlords solicitors shall be included upon request. If the Landlord wishes to use his own tenancy agreement, a draft must be submitted to the Agent as soon as possible so that the applicant may seek legal advice before signing it.

**3.7 Deposit**

Except where otherwise provided, the Agents shall hold the deposit as stakeholder. A security deposit of any agreed amount with landlord will be collected from the Tenant and held by the Agent in the client account in line with current deposit protection registration laws. At the termination of the tenancy, the Agent, upon written consent of both the Landlord and the Tenant shall release the deposit. Any deduction of the deposit must also be agreed between the Landlord and the Tenant and both parties must inform the Agent of the amount deducted in respect of damages from the deposit before it is returned the Tenant less accrued interest. Upon the consent of the Tenant at the commencement or during the term of the Agreement, the Agents shall pass the deposit to the Landlord. If the property is sold the Agent will not release the deposit to the Landlord until the tenancy has terminated.

**3.8 Utilities**

Before the commencement of the Agreement, the Landlord should ensure that the telephone is disconnected and all utility companies are notified to avoid any debt arising under The Landlords name.

**3.9 Commencement of the Tenancy**

The Agent shall:

- o Arrange for the Tenant to sign the agreement and if requested send a copy to the Landlord;
- o Take from the Tenant the first months rent and a deposit which shall be retained as above; and
- o Deduct from the first months rent, the letting fee and the first month's management fee. Any balance shall be paid to the Landlord. If the fees exceed the first months rent, any balance outstanding will be immediately payable by the Landlord upon the receipt of the Agents invoice.
- o On full Management when the Tenant pays more than one months rent in advance, funds will only be released as and when rent is due to the Landlord.

**3.10 Section 21 Notice**

Where the tenancy is AST, a notice of not less than 2 months must be served upon the Tenant to terminate the Tenancy. Without service of this notice, possession of the property cannot be obtained. If a Let Only Landlord wishes such notice to be served by the Agent, a fee of £50.00 shall be payable by the Landlord to the Agent must be paid. (Full Management service - no charge). The Landlord must also give not less than two weeks notice to the Agent before service of notice.

**4 Full Management Service**

This includes the full letting service plus the Following:

**4.1 Rent receipt**

The Agent shall receive the rent from the Tenant each month by standing order, cash or cheque. The Agent shall make monthly accounts to the Landlord within 10 working days after receipt of cleared funds. If the rent is not received from the Tenant, the Landlord will be advised to consider legal action to recover rent or seek possession of the property by Homelet or through a solicitor.

The Agents are not responsible if a Tenant fails to pay rent.

The Landlord remains responsible to ensure that all ground rent and service charges are paid.

The Agent will pay rent net of any deductions to the Landlord each Friday, bank holiday permitting. Rents received up to and including Tuesday (the cut-off day) will be included in the Friday payment process. Rents received on Wednesdays, Thursdays or Fridays will be carried forward to the following weeks payment run. The payment process cut-off day may be varied to accommodate Bank holidays. Payment will be by bank transfer (BACS) direct to your account. Three working days should be allowed for the funds to clear into the 'landlords account. In such circumstances when a Tenant's cheque or standing order is not honoured by the Tenants bank, the Landlord must refund to the Agent the amount paid to you and seek compensation direct from the Tenant. The Agent is entitled to retain any interest earned on the rent while it is in the client account.

**4.2 References**

The agent shall credit reference all Tenants using Homelet and apply for character references where the information is available.

**4.3 Maintenance and Repairs**

The Landlord is responsible for the repairs and upkeep of the Property, which include:

- o To keep in good repair the structure of the property (include the drains, gutters and down pipes) and the exterior;
- o To keep in good repair the appliances for the supply of gas, electricity and water;
- o To keep in repair appliances for the supply of space heating and water heating; and
- o To keep in repair the sanitary appliances.

The Agent shall administer the day to day repairs up to a maximum of £150.00 for any one item. If repair or replacement is likely to cost in excess of this figure, the Agent shall endeavour to contact the Landlord or his representative, except in an emergency, and wherever practical, supply an estimate before commencing work.

In the event that instructions are not received from the Landlord, in an emergency, and/or there is a defect that is likely to cause death or injury, the Agent will have full authority to act in the Landlord's best interests.

Except where otherwise provided, if the Landlord provides the Agent with a nominated contractor, the Agent shall make every reasonable effort to contact him.

The Agent reserves the right to instruct an alternative contractor to prevent or mitigate further loss and/or damage.

Where remedial work is required during a gas or electric inspection, the Agent reserves the right to authorise any work whilst the engineer is on site up to a max of £150.00. This protects the safety of the Tenant and eliminates further call out charges for the Landlord.

Landlords have statutory obligations to ensure that at the commencement of the Tenancy all appliances left in the Property are:

- o In good repair and working order
- o Kept in repair during the Tenancy; and
- o Replaced when necessary.

**4.4 Payment of outgoings**

If instructed and subject to sufficient client funds, the Agent shall pay the ground rent, services charges and other expenditure on the Landlord's behalf. The Landlord shall arrange with the various companies to forward to the Agent all relevant invoices. If the Agent does not receive the relevant documentation, the Agent will not accept liability for any losses suffered by the Landlord. If a dispute arises from such payments, the agent cannot act on the Landlord's behalf and will not accept any responsibility.

**4.5 Property Visits**

The Agent shall visit the property four times a year. Further visits shall be made upon written request of the Landlord, at a charge of £25.00 per visit. Non-expert investigations of apparent and obvious defects that are brought to the Agent's attention, via the Tenant or third party may be undertaken. The Agent accepts no responsibility for latent or hidden defects and advises the Landlord to instruct a structural surveyor or engineer for such circumstances.

**4.6 Void periods**

The management service does not include security or supervision of the Property when it is not let. The Landlord must make suitable arrangements to have the property checked during void periods.

**4.7 Termination of management**

The Contract shall be fixed for six months from the start date of this agreement then Giving not less than two months written notice to the Agent thereafter. The Landlord may terminate this agreement. If the tenant/s remain in occupation of the property, the Agent shall charge fees subject to the letting service fees. The Agent may terminate this agreement upon giving not less than 2 months written notice. If any term or condition of this agreement or statutory obligation is breached by the Landlord or any omission which renders the Agent's duties of managing the Property impractical or impossible, the Agent may terminate the Agreement with immediate effect.

**4.8 Retention of rent**

The Agent shall retain as a lien the receipt of the Tenant's last months rent payment in respect of fees payable by the Landlord. To protect the interests of the tenant and to pay for any necessary repairs, where the rent that has been paid more than one month in advance the, Agent will pay it to the Landlord monthly throughout the tenancy.

## 5 General Terms and Conditions

### 5.1 Early departure of tenant

If the Tenant vacates the Property before the expiry date, the Landlord should take action to recover outstanding rent from the Tenant. Any commission paid, in advance, to the Agent will be refunded pro rata, only following a legitimate termination.

### 5.2 Duplicate statements

Requests for duplicate statements or other information within a tax year shall be charged at £25.00. This charge shall be deducted from the rental income.

### 5.3 Mortgages and Leases

Where the property is subject to a mortgage or held on a long leasehold, consent must be obtained by the lender or superior Landlord before the Property is sub-let.

The lender/superior Landlord may:

- o Charge a fee for giving their consent; or
- o Alter their interest rate; and/or
- o Request a copy of the Tenancy Agreement.

### 5.4 Insurance

The Landlord must ensure that the property is covered with a fully comprehensive insurance policy for all insured risks a replacement value in respect of contents and insurance. Proof of such insurance should be provided to the Agent. It is strongly advised that the Landlord obtains a rent indemnity policy.

### 5.5 Taxation

Rental income is assessable for Tax. The Landlord must inform the Inland Revenue (IR) that the Property is let. There are allowances, which can be claimed against rental income. Advice can be sought from an accountant. Such information can be found in booklet IR150 from any tax office.

For Landlords resident overseas, special rules apply to collection of tax rental income. The Landlord should obtain a tax approval number from the IR. Otherwise, the Agents shall deduct tax at the basic rate from the rental income.

Approval numbers can be obtained from the IR by completing form NRL1. The Agent can provide these. On completion the form must be returned to the Agent as soon as possible. The Agent shall then forward the form direct to the IR on the Landlord's behalf.

### 5.6 The fire and furnishings regulations 1988 - amended 1993

The Landlord must declare and affirm to the Agent that pursuant to the above regulations, all upholstered furniture in the Property satisfies the fire resistant requirements. The Landlord must ensure labels are attached to the furniture at the Property showing that they comply with the regulations. The agent shall require proof of such labels before the Tenancy commences.

### 5.7 Electrical Equipment (Safety) Regulations 1994

All electrical installations, wiring and appliances must comply with the above regulations. The Agent reserves the right to use a nominated contractor to test the electrical wiring circuits and electrical appliances within the Property for compliance to the regulations. If the property is fully managed the property may require testing for and a valid certificate will need to be in place before a tenant occupies the property.

### 5.8 Gas Safety (Installation And Use) Regulations 1988

The landlord must ensure that the gas appliances, gas boilers, fire heaters and gas water heaters are checked by a CORGI registered gas installer every 12 months. The Landlord must give a copy of the check report carried out in compliance with the regulations to the Tenant.

The agent reserves the right to use a nominated contractor for the gas safety check within the Property.

No tenancy will commence until the Agent receives a valid compliance certificate.

### 5.9 Rent arrears and breaches of covenant

The landlords must take all measure to protect interest in respect of seeking or defending legal action in respect of recovering rent arrears or actions brought against the landlord. The Landlord shall suffer all legal costs personally. The agent's reserve the right to charge £50.00 per hour to attend court on the Landlord's behalf.

### 5.10 Indemnity of the Agent

The Landlord agrees to indemnify the Agent from and against any damage or liability, whether civil or criminal, suffered from and during the time the Agent is or was acting on the Landlords behalf. The Landlord shall indemnify the Agent, in respect of the necessary works to the Property, to ensure the Landlord complies with his obligations to the tenant.

**5.11 Mail**

The Agent shall not forward the landlord's or passed tenants mail. Necessary redirection arrangements with the Post Office should be made by the Landlord or passed tenant.

**5.12 Interest of the Landlord's monies**

Interest accrued on client's, money shall be retained by the agents in respect of bank and administrative charges.

**5.13 Withdrawal from Agreed offer**

Where the Landlord withdraws instructions to let the Property; the Landlord shall give 14 days notice. No charges will be incurred to withdraw a property unless an application has already been processed on the Property, in this case the sum of £150.00 shall be paid to the Agent for costs and expenses incurred.

**5.14 Purchase of the Property by any party**

In the event that the Tenant, or anyone associated with the Tenant, or any person introduced by the Agent to the Property, purchases the Property during or within six months of the end of the tenancy, the Landlord agrees to pay commission to the Agent at a rate of 1.5% of the contract price. This can be reduced by negotiation according to the length of any landlord / agent relationship. The commission plus VAT is payable upon completion of this sale.

**5.15 Instruction manuals**

English instruction manuals must be provided for every gas, electrical, oil or solid burning appliance, including all central heating systems in the property. If instructions are not included, the appliances shall be removed from the property. The Agent reserves the right to supply instruction manuals at the Landlord's expense.

**5.16 Legal jurisdiction**

These terms and conditions shall be governed, construed and enforced in accordance with the law of England and Wales

**5.17 Complaints procedure**

In the event of a problem with our service contact should be made to our office on Bolton Road, where you will be advised of our complaints procedure.

**5.18 EPC Certificates**

The Landlord must obtain an EPC (Energy Performance Certificate) on the property before entering into a contract with a prospective tenant and must provide a copy to any prospective tenants on request

The Agent reserves the right to use a nominated contractor to ensure compliance to the current regulations. If the property is fully managed the property may require a valid certificate in the future this will need to be put in place before a prospective or existing tenant enters into a new contract.

**5.19 Tenancy Deposit Scheme**

The Housing Act 2004 (Chapter 4, sections 212-5; & Schedule 10) made provision for both the protection of tenancy deposits and the resolution of disputes over their return. The Dispute Service has been awarded a contract by the Government to run one such scheme since the legislation came into effect on 6 April 2007. Rent Smart reserve the right to charge for the registration of the tenant(s) deposit in relation to the Landlords property at a cost of **£35.88** (+VAT if applicable) per registration.

The Landlord agrees to:

- o The above Terms and Conditions; and
- o Instructs the Agent to act on his behalf for the purposes of;

o Letting the Property [ ]

o Management of the Property [ ]  
**(tick appropriate box above)**

**The Landlord:**

- o Understands and acknowledges his obligations pursuant to clauses 5.7,5.8,5.9; and
- o Accept and confirm that he has full responsibility to ensure that he has and will continue to comply fully with the requirements of clauses 5.7,5.8 and 5.9 before and during the letting of the property.

The Landlord confirms that:

- o He owns the property; and
- o Has obtained all consents necessary for the letting; and
- o He has been offered suitable rental indemnity or legal protection policy by the Agent; and
- o The Agent will not be liable for any losses the Landlord may incur if insurance is declined.

Section 42a income and corporation Tax Act 1988 and taxation of income from Land (Non-residents) Regulations 1995, SI 1995 No 2902. The Landlord confirms their status below and confirms they will notify Rent Smart (uk) Ltd in writing of any changes to that status.

o I am currently a full-time UK resident, residing at the address of page one of this document. [ ]

o I am currently a UK resident, but will be moving abroad in the near future, and have / will supply Rent Smart (UK) Ltd with an appropriate address. [ ]

o I am not currently a UK resident and my address overseas is that entered on page one of this document. [ ]

**Signed by the Landlord**

Or Duly authorised  
 Representative

..... Date ..... (1) Landlord

..... Date ..... (2) Landlord

..... Date ..... (3)Agent

On Behalf of Rent Smart UK Ltd