

# Adrians Property Services Ltd

## Terms of Business

**Please ensure you read this document carefully before signing to state you understand and agree to all Terms.**

These Terms of Business are made between the Landlord of the Property (as named at the end of this Agreement) and **Adrians Property Services Ltd** who agree to act as the Letting Agent for the Landlord and are hereinafter referred to as "the Agent". The purpose of this document is to set out clearly and concisely the extent of the Services we provide, the Fees charged and other important information.

**The Terms of the Agreement will constitute a legally binding contract. If you are unsure of your obligations under this Agreement, then you are advised to take independent legal advice before signing. This Agreement is set out to comply with the requirements of the Provision of Services Regulations 2009 SI 2999.**

### Our Services

*We are dedicated to making sure that we provide an exceptional and professional service to both Landlords and Tenants.*

#### **Let Only Service**

##### **Marketing**

We will attend the property to take photographs of a high quality along with the room dimensions ready to be advertised at the agreed rent. The property will be featured on two major online property sites, our website, social media platforms, our office window display as well as our monthly magazine. We also maintain a database of Tenants who are actively looking and are kept updated with properties we advertise. Our eye-catching "To Let" board will be erected at the property on the date that the property goes live online.

##### **Tenants**

Once a viewing has been booked, you will be sent a confirmation text message of the date and time. We accompany all viewings and engage in extensive conversations with the viewers to provide you with a background on them, we will provide you with this along with any other feedback. We treat every property as if it were our own so we will be completely honest with you and assist you in making the right decision.

All prospective Tenants over the age of 18 will be fully referenced with our referencing agency. They perform checks including - Identification (to satisfy Right to Rent regulations), Credit (to see if the applicant has any adverse credit), Residential (previous Landlord/Agent reference) and Income (to determine if they meet affordability requirements). If a Tenant receives a conditional pass, we will advise you of how the conditions can be met whether it is upfront payment or if a guarantor is required. Any prospective guarantor will also be fully referenced. We will provide you with a report once the referencing is completed before the tenancy agreement is sent for signing. Please note that Tenants/Guarantors satisfying the criteria deemed necessary to be acceptable by the referencing agency is not a guarantee that they will meet their tenancy obligations. The report will be provided without liability on our part or that of the referencing agency.

##### **Tenancy**

Before a Tenant moves in, all legal obligations must be met – we have set out in this document some of the key legal obligations that you must comply with. Current law and further advice can be found at [www.gov.uk](http://www.gov.uk). We can help to organise any of this work at an additional cost as stated in this document.

Our tenancy agreement covers everything that would be needed as standard however, if necessary, we can include additional clauses relevant to a particular tenancy, for example: not maintaining appliances. A draft will be sent to you for approval prior to being sent out for final signing.

At the start of the tenancy, we ensure we are in receipt of the initial monies (first month's rent and the security deposit), we provide the Tenants with all the required legal documents and test the alarms before releasing the keys to the property. When your Tenant has moved in, we will send you all the relevant tenancy paperwork and any owed monies.

Towards the end of the initial fixed term, we will contact you to ask you what your plans are. If you are happy for the tenancy to continue, we will organise the renewal with your Tenant and get the renewal paperwork sent out to both you and your Tenant. If you are looking to take back possession of the property, we can arrange to serve the necessary notices, organise a check out and deal with the deposit release (if applicable).

## **Full Management Service**

*All the above services stated in Let Only are included in Full Management as well as the following:*

We have teamed up with Property STOP who exclusively focus on property management having been established since 1996. Given their expertise and in-house approach, it enables them to be in full control and answer any queries almost instantly. As a fellow privately owned independent company, Property STOP understand the importance of our landlords and strive to build strong relationships with them.

With the Full Management Service, you can have peace of mind knowing that your asset is being managed by an experienced team helping make sure the tenancy is running smoothly with all legalisations being adhered to.

## **Maintenance**

We have the advantage of working alongside an independently run company called Property STOP for our property management. Your tenant will be able to report issues to them at any time as they operate an out of hours emergency line which is of no additional cost to you. They have a panel of fully qualified, insured and vetted contractors that they use for repairs, but they are also happy to work with your own preferred contractors if requested. They look to deal with all repairs and maintenance issues up to £200 + VAT quickly and efficiently without the need to contact a landlord, but will work on your instruction on how you would personally like maintenance to be dealt with during your tenancy. Property STOP will also arrange necessary legal requirement certificates such as gas and electric when they are due for renewal.

## **Inventory and Health & Safety Report**

Prior to the tenancy commencing, Property STOP will organise a high-quality written inventory with supporting photographs in a report which acts as evidence on the condition of the property at the start of the tenancy. This is vital to have when dealing with a deposit if you are looking to make any claim. At the time of inventory, a health and safety report is also done to highlight any required work before a Tenant moves in, for example: smoke alarms not responding.

## **Rent**

Property STOP will ensure that rent is transferred to you within a maximum of 14 days once they have received it from your Tenant. They will provide you with monthly statements that show exactly what money has been received and what they have transferred to you minus any expenditure. If on the very rare occasion your Tenant does not pay their rent, Property STOP will ensure that the arrears are chased quickly and that you are kept updated throughout.

## **Inspections**

Property visits are very important during a tenancy as they give you an insight on how your property is being looked after by your Tenant. At the point of move in, your Tenant will sign to state they understand and agree to Property STOP attending the property a minimum of once every 14 weeks. Property STOP will provide you with a written report on the condition of the property including supporting photographs and any recommendations. If the property is consistently in good condition, they may suggest a reduction to the frequency of the inspections. However, if there are any areas of concern, they will complete additional inspections at no extra cost.

## **Deposit**

Property STOP register all the deposits for fully managed properties with the Deposit Protection Scheme (DPS) at no additional charge. At the end of the tenancy, they can organise a check out to be done in line with the inventory that was completed prior to the Tenants moving in. This check out can then be used as evidence to support any claim against the deposit, Property STOP will deal with any deposit negotiations.

## Our Fees

### Full Management Charges

|                                |   |
|--------------------------------|---|
| Letting fee:                   | 75% of the first month's rent + VAT (subject to a minimum fee of £700 + VAT)  |
| Monthly fee:                   | 10% per calendar month + VAT (of the monthly rental amount)   |
| Renewal:                       | £100 + VAT  |
| Rent & Legal Protection (RLP): | £200 + VAT (for 12 months cover)  |
| Cancellation fee:              | Full agreed Letting Fee + VAT plus £125 + VAT per application (not proceeding with the tenancy once agreed with the Tenant) |

### Let Only Charges

|                   |   |
|-------------------|---|
| Letting fee:      | 75% of the first month's rent + VAT (subject to minimum fee of £700 + VAT)  |
| Renewal:          | £250 + VAT  |
| Cancellation fee: | Full agreed Letting Fee + VAT plus £125 + VAT per application (not proceeding with the tenancy once agreed with the Tenant) |

### Other Charges

|                                 |  |
|---------------------------------|--|
| Gas Safety Check:               | £70 + VAT                                    |
| Electrical Safety Check:        | £165 + VAT                                   |
| Energy Performance Certificate: | £110 Including VAT                           |
| DPS Dispute Admin Charge:       | £75 + VAT (Managed)<br>£125 + VAT (Let Only) |

## Your Key Legal Obligations

### Energy Performance Certificate

From 1<sup>st</sup> April 2018, any rental property is required to have a minimum EPC rating of E. There are some exemptions to this where a property is unable to be improved to meet this minimum standard. The EPC rating must be included on all advertising and a Tenant must be given a copy of the certificate before they move in.

### Gas Safety

If there are any gas appliances in the property, a gas safety check must be carried out yearly on all appliances (including flues). This check must be performed by a Gas Safe registered engineer and a copy of the certificate must be given to the Tenant before they move in and when it has been renewed.

### Electrical Safety

From 1<sup>st</sup> June 2020, any new tenancies are required to have a satisfactory certificate. From 1<sup>st</sup> April 2021, all existing tenancies must also have a satisfactory certificate. This check must be performed by a qualified competent person at least every five years. A copy must be given to a Tenant before they move in and when it has been renewed.

### Smoke and Carbon-Monoxide Alarms

There must be at least one smoke detector on each floor of the property that is classed as living accommodation (including bathrooms). A carbon-monoxide alarm must be installed in any room which is used as living accommodation, and which contains a solid fuel burning appliance. The alarms must be installed and working at the start of the tenancy.

### Deposit

If you are opting for a Let Only service, you must protect it using one of the three government approved schemes (DPS, TDS and My Deposits) within 30 days of receiving it.

## Our Terms

### 1. GENERAL AUTHORITY:

The Landlord confirms that he/she/they are the sole or joint owner of the property and has the right to rent out the property under the terms of the mortgage or head lease. Where necessary, the Landlord confirms that permission to let has been granted by the mortgagee. The Landlord authorises the Agent to carry out the various usual duties of property management including those listed and detailed in "Our Services". The Landlord also agrees that the Agent may take and hold deposits to comply with the requirements of any tenancy deposit scheme that may apply to that deposit. It is declared that the Agent may earn and retain commission on insurance policies issued.

### 2. LIABILITY FOR TENANT DEFAULT:

Although the aim is to take care in managing the property, the Agent cannot accept responsibility for non-payment of rent, damage or other default by Tenants, or any associated legal costs incurred in their collection where the Agent has acted correctly in terms of this Agreement, or on the Landlord's instructions. An insurance policy is recommended for this eventuality. Should non-payment of rent occur, the Landlord is still required to pay the management fee.

### 3. REASONABLE COSTS AND EXPENSES:

**3.1** The Landlord agrees to repay the Agent for any reasonable costs, expenses or liabilities incurred or imposed on the Agent provided they were incurred on behalf of the Landlord in pursuit of the Agent's normal duties. To assist the Agent in carrying out their duties effectively, the Landlord agrees to respond promptly with instructions where necessary to any correspondence or requests from the Agent.

**3.2** Where the agreement is cancelled under the Cancellation of Contracts Made in a Consumer's Home or Place of Work etc Regs. 2008 the Landlord agrees to repay any reasonable costs incurred by the Agent in carrying out their duties before the cancellation of the contract.

#### **4. MAINTENANCE:**

**4.1** The Landlord agrees to provide the property in good and lettable condition and that the property, beds, sofas, and all other soft furnishings conform to the current fire safety regulations. The Landlord agrees to make the Agent aware of any ongoing maintenance problems. Subject to a maximum expenditure limit (UK Landlords: £200 + VAT, overseas Landlords: £300 + VAT) on any single item or repair, and any other requirements or limits specified by the Landlord, the Agent will administer any miscellaneous maintenance work that needs to be carried out on the property. Retained maximum expenditure limit' means that the Agent has authority to spend up to this amount (or other amount as individually agreed) on reasonable improvements or repairs in any single monthly accounting period without prior reference to the Landlord.

**4.2** For expenditure in excess of the agreed expenditure limits, the Agent would normally request authorisation in advance, although it is agreed that in an emergency or for reasons of contractual or legal necessity where reasonable endeavours have been made to contact the Landlord, the Agent may reasonably exceed the limits specified. By law, it is necessary to carry out an annual inspection and service for the central heating and any gas appliances. The Agent will carry this out on the Landlord's behalf and expense and administer the necessary inspection and maintenance records. The reasonable costs involved will be debited to the Landlord's account.

**4.3** Where the Agent is required to co-ordinate repair and maintenance work on behalf of the Landlord, the Agent will not be responsible for any negligence, damage, or breach of contract by any contractor employed in this way.

#### **5. OVERSEAS RESIDENTS:**

When letting property and collecting rents for non-UK resident Landlords (NRL) i.e., Landlords living overseas, the Agent is obliged by the Income and Corporation Taxes Act 1988 and the Taxation of Income from Land (Non-Residents) Regulations 1995 to deduct tax (at the basic tax rate) to cover any tax liability, unless the Landlord has been authorised in writing by HM Revenue and Customs (HMRC) to receive rent gross. In this situation, the Agent also requests that the Landlord appoints an accountant or reserves to the Agent the right to employ a suitably qualified accountant to manage correspondence with the Inland Revenue. A standard annual charge will be made for this work and the Agent may charge reasonable administration expenses for further work requested by the Landlord, the Landlord's accountant or the HMRC in connection with such tax liabilities. In many cases, a Landlord's tax liability is minimal when all allowable costs are deducted.

#### **6. COUNCIL TAX:**

Payment of Council tax will normally be the responsibility of the Tenants in the property. However, Landlords should be aware that where a property is empty, let as holiday accommodation, or let as a house in multiple occupation (HMO) responsibility for payment of council tax then rests with the owner of the property.

#### **7. SERVICES:**

The Agent will take meter readings whenever possible at each change of occupation in the property and, where necessary, inform the service companies (electricity, gas, and water) of these readings and change of occupation. In many cases, the service companies (e.g., BT) require that the new occupiers formally request and authorise the service and it is not possible for the Agent to do this on the Tenant's or Landlord's behalf. Regarding mail, Landlords should take care to inform all parties (e.g., Banks, clubs, societies etc.) of their new address; it is not always possible to rely on Tenants to forward mail.

#### **8. INVENTORY:**

The deposit protection schemes established under the terms of the Housing Act 2004 require that all Landlords need to be protected by good inventory and condition reports from the outset. The Agent will prepare an inventory for the property and a charge will be made for this depending on the size of the inventory and the property. The standard inventory will include all removable items in the property (except those of negligible value) plus carpets, paintwork, wall coverings, curtains, mirrors, sanitaryware, and other articles that, in the opinion of the Agent, need regular checking. Landlords should not leave any articles of exceptional value in the property without prior arrangement with the Agent. The standard inventory service will include a full schedule of condition (condition, colour & decoration of ceilings, walls, doors & door fittings etc.). Evidence of condition or damage (i.e., photography) will be prepared as required, or at the Landlord's request, and will be charged accordingly.

#### **9. TENANCY AGREEMENT:**

Our Services include the preparation of a tenancy agreement in the Agent's standard form(s) and provision of a copy of this agreement to a designated advisor or building society. Should the Landlord, advisors or mortgagees require amendment of the contract or require the Agent enter into further work or correspondence, a fee for this extra work may be requested (or you may have the tenancy agreement amended by your own adviser at your own expense). It is agreed that the Agent may sign the tenancy agreement(s) on behalf of the Landlord.

## **10. NOTICES:**

The Agent will, as necessary, serve the usual legal notices on the Tenant(s) to terminate the tenancy, increase the rent, or for any other purpose that supports the good management of the property, or the timely return of the deposit at the end of the tenancy.

## **11. RESERVATION FEES:**

A reservation fee is generally taken from a Tenant applying to rent a property. The purpose of this fee is to verify the Tenant's serious intent to proceed, and to protect the Agent against any administrative expenses (taking out bank references, conducting viewings, re-advertising) that may be incurred should the Tenant decide to withdraw the application. The reservation fee does not protect the Landlord against loss of rent due to the Tenant deciding to withdraw, or references proving unsuitable although early acceptance of rent from the applicant would not be advisable until satisfactory references have been received. Landlords should notify the Agent where they wish a larger security fee to be carried to protect against loss of rents, or insurance undertaken.

## **12. TENANCY DEPOSITS:**

**12.1** Deposits upon signing the tenancy agreement, the Agent will take a dilapidations deposit from the Tenant(s) in addition to any rents due. The purpose of the dilapidations deposit is to protect the Landlord against loss of rent or damage to the property during the tenancy itself. This deposit will be kept in a separate and secure client account ready for refunding (less any charges due) at the end of the tenancy or forwarded to one of the Government-regulated deposit schemes listed below.

**12.2** Statutory Tenancy Deposit Protection. Where the tenancy is an assured short hold tenancy, the Landlord or Agent is legally required to ensure that any tenancy deposit taken under the tenancy is protected within one of three statutory tenancy deposit schemes within 30 days of receipt. The schemes are:

- (1) The Deposit Protection Service (DPS)
- (2) My Deposits
- (3) Tenancy Deposit Scheme (TDS).

**12.3** Tenancy Deposit Information. Where statutory tenancy deposit protection applies to a tenancy deposit, the Agent will provide to the Tenant within 30 days the following information required from the Landlord by the

- (a) Information on the particular scheme under which the tenancy deposit is protected
- (b) Compliance by the Landlord with their obligations under the Act and
- (c) Prescribed information for the Tenant.

More information on the requirements of the deposit protection schemes is available on the government website and Landlords are strongly urged to familiarise themselves with their legal responsibilities.

## **13. INSPECTIONS:**

**13.1** Under the Full Management Service, the Agent will normally carry out inspections quarterly starting after the first month. Such inspections do not constitute a formal survey of the property, and it is not the intention to check every item of the inventory at this stage. The inspection is concerned with verifying the good order of the tenancy (i.e., house being used in a 'Tenant-like' manner) and the general condition of the property. This would normally include inspecting the main items (carpets, walls, cooker, main living areas and gardens.) Where these were felt to be unsatisfactory, a more detailed inspection would generally be made.

**13.2** Following the departure of Tenants, a final inspection of the property is carried out by the Agent. Testing of all the electrical appliances, heating system and plumbing is not feasible during this inspection; a qualified contractor should be appointed for this purpose should it be required by the Landlord. Any deficiencies or dilapidations would normally be submitted to the Landlord (and, if appropriate, to the relevant tenancy deposit scheme administrator) together with any recommended deductions or replacement values.

## **14. TENANCY DEPOSIT DISPUTES:**

**14.1** The Agent will attempt, by negotiation, to resolve any deposit disputes between the Landlord and the Tenant. Where the deposit is subject to statutory tenancy deposit protection, and a dispute cannot be resolved between the parties, then it will be necessary to submit the claim to the tenancy deposit administrators for adjudication under an alternative dispute resolution (ADR) process or to take Small Claims action in the County Court. An estimate of the likely costs of preparing and submitting the claim to adjudication or for Small Claims will be submitted to the Landlord before any case is started.

**14.2** The Landlord authorises the Agent to make appropriate deductions from the rental income in the last two months of the tenancy to provide a maintenance fund from which any cleaning, repair or other costs can be disbursed at the end of the tenancy.

## **15. TERMINATION:**

**15.1** Termination of Agency Agreement. This Agreement may be terminated by either party by way of two months' written notice. The minimum fee applies if on termination the total fees due are less than the minimum fee. Where cancellation of this Agreement is unavoidable due to circumstances beyond the control of either party, the minimum fee/notice will not apply and any pre-payments will be returned to the person entitled to them, less any expenses reasonably incurred to the date of cancellation.

**15.2** Tenancy Agreement. The Landlord shall provide the Agent with any requirements for return and repossession of the property at the earliest opportunity. Landlords should be aware that any tenancy agreement entered into on the Landlord's behalf is a binding legal agreement for the term agreed. Details of any tenancy agreement being entered into will be communicated to the Landlord as soon as possible. Landlords should be aware that the legal minimum notice period to Tenants under assured tenancies is generally two months (should the contract allow for early termination) and this needs to be given even in the case of a fixed term tenancy which is due to expire.

**15.3** Agreements signed away from the Agents office. Where this Agency Agreement is cancelled using early termination rights granted under any consumer protection legislation that provides for an initial 'cooling-off' period, then the Landlord agrees to repay any reasonable costs incurred by the Agent in carrying out their duties before the cancellation of the contract. The required cancellation notice is available at the end of this agreement.

## **16. SOLE LETTING RIGHTS:**

It is agreed that only the Agent may let the property.

## **17. SAFETY REGULATIONS:**

WARNING: You should read and understand these obligations before signing.

**17.1** The letting of property is now closely regulated with respect to consumer safety. The law makes demands regarding the safety, servicing and inspection of the gas and electric appliances and installations within a property, and with respect to the safety of furniture and soft furnishings provided. The following regulations apply:

Furniture and Furnishings (Fire)(Safety) Regulations 1988  
General Product Safety Regulations 1994  
Gas Safety (Installation and Use) Regulations 1998  
Electrical Equipment (Safety) Regulations 1994  
Plugs and Sockets (Safety) Regulations 1994

**17.2** The Landlord confirms that they are aware of these obligations and that the Agent has provided sufficient information in the form of explanatory leaflets accompanying this Agreement to assist with compliance. It is agreed that the Landlord shall ensure that the property is made available for letting in a safe condition and in compliance with above regulations. Under the Full Management Service, the Agent shall ensure that all relevant equipment is checked at the beginning of the tenancy and maintained during the tenancy as required, and that appropriate records are kept. The Landlord agrees to repay the Agent costs in incurring any reasonable expenses or penalties that may be suffered as a result of non-compliance of the property to fire and appliance safety standards.

## **18. INSTRUCTIONS:**

It is agreed that any instructions to the Agent from the Landlord regarding termination, proceedings, major repairs, payment, or other significant details regarding the letting be confirmed to the Agent in writing.

## **19. VALUE ADDED TAX:**

Where fees stated do not include VAT which should be added to the fee at the appropriate rate.

## **20. INSURANCE:**

The Landlord shall be responsible for the property being adequately insured and that the insurance policy covers the situation where the property is let. The Agent would normally be responsible for the administration of any claims arising during the period of management where the property is being managed (i.e., this only applies to properties under the "Full Management Service") and subject to an additional charge for major works.



## **21. HOUSING BENEFIT:**

The Landlord undertakes to reimburse the Agent for any claims arising from overpayment which may be made by the local authority in respect of housing benefit, or other benefit scheme, paid to or on behalf of the Tenant(s) as rent. This undertaking shall remain in force during the currency of the tenancy and up six years thereafter, whether or not the Agent continues to be engaged to let or manage the property under this Agreement.

## **22. LEGAL PROCEEDINGS:**

Any delays of payment or other defaults will be acted on by the Agent in the first instance. Where the Agent has been unsuccessful in these initial actions, or there are significant rent arrears or breaches of the tenancy agreement, the Landlord will be advised accordingly. A solicitor may then be appointed and instructed by the Landlord (except where the Agent is unable, after taking reasonable efforts, to contact the Landlord. In that event the Agent is authorised to instruct a solicitor on the Landlord's behalf). The Landlord is responsible for payment of all legal fees and any related costs.

## **23. LET ONLY SERVICE:**

Where the Landlord does not wish the Agent to undertake Full Management the Landlord would remain responsible for all other aspects of the letting including up to date certificates, inventories & check outs, property maintenance and registering the deposit. The Landlord would remain responsible for complying with the deposit protection requirements of the Housing Act 2004 and must provide the Agent with written confirmation of this together with a receipt for the deposit monies received by the Agent on their behalf.

## **24. RENEWALS:**

Where, with the consent of the Landlord, the tenancy is renewed or extended to the same Tenant (or any person associated with the Tenant) originally introduced by the Agent, a renewal fee of £100 + VAT shall be payable on the renewal date. The Agent shall prepare the tenancy agreement, if required, for the new or extended tenancy and the terms of this Agreement shall continue until the Tenant leaves, or this Agreement is terminated.

## **25. PAYMENT OF RENT:**

Property STOP undertake to pay the rent received from managed properties into your account within a maximum of 14 days of receiving it from a tenant's payment being cleared in our clients account. In cases of unmanaged properties; after the initial first payment we will provide the tenants with the appropriate information to pay the money direct to you provided you have given us the information. We will not be responsible for any non-payment of rent and does not guarantee your rental income or any other promised payments due by the tenant under any circumstances or third parties and regardless to any service level the landlord has selected. We cannot be held liable for any charges or costs involved in late or failed payments on behalf of the landlord or tenant.

## **26. PROPERTY INSPECTIONS:**

Fully managed property inspections will be arranged quarterly with the Tenant (subject to access). Please note that this is not a full check against the inventory, this is a brief visual check for any obvious damage, subletting or misuse of the property. The original inventory is not taken with us on these visits.

A full check will be carried out at the end of the Tenancy against the original inventory.

## **27. ACCEPTANCE & VARIATION:**

The terms and conditions of this Agreement may be varied by either party, but only with two months' prior written notice.



I consent to the Agent carrying out marketing work immediately (prior to any right of cancellation period).

See paragraph 15.3 above.

I wish the Agent to undertake the following service:

Full Management Service

Let Only Service

Plus, additional services as below: (Please write any extra services you require below)

I/We also confirm that we are the sole/joint owners of the Property known as:

.....  
(Property to be let)

SIGNED:

.....

PRINT NAME:

.....

DATE:

.....

SIGNED:

.....

PRINT NAME:

.....

DATE:

.....