

TERMS OF BUSINESS

DATE OF ISSUE JULY 2016



Service and fees

- 1.1 **Fully Managed Service** – Fees of 10% inclusive of VAT plus one weeks rent set up fee. The 10% is payable the entire time the tenant is residing within the property, whilst the set-up fee is payable each time a new tenancy commences.

Our Fully Managed Service includes:

- Free Market Appraisal
- Marketing of the property
- Expert Tenant Referencing
- Making sure your Let is Legal
- Moving the tenants in
- Handling of Tenancy Deposit Service
- Property Inspections
- Rent Collection
- Everyday Repairs and Maintenance
- Recovering Unpaid Rent
- Vacant Property Care
- Arranging Inventory and check out

- 1.2 **Tenant Find Only Service** – Fees are equivalent to two rent plus VAT (calculated at £ per week) **or** a minimum of £474.00 inclusive of VAT.

Our Tenant Find Only Service includes:

- Free Market Appraisal
- Marketing of the property
- Expert Tenant Referencing
- Completion of Legal Compliance
- Moving the tenants in
- **AR Lettings cannot handle the Tenancy Deposit with this service**

- 1.3 **Tenancy Agreement** – Both services require AR Lettings to produce and prepare a tenancy agreement. This is charged at **£120 inclusive of VAT** per new tenancy.

Additional Services

In addition to the above mentioned fees AR Lettings charge for the following services

- 2.1 **Inventory** – We strongly advise that our Landlords instruct an independent inventory to be carried out, so that an accurate assessment of damages, if any, can be made and charges levied from the Tenancy Deposit held. This report will be checked against the **Check-out Report** (if required). The Inventory Fee is **£120.00 inclusive of VAT**.



- 2.2 **Gas Safety Certificate** – If there is a gas supply to the property, Landlords are required by Law to provide an annual Gas Safety Certificate. The Fees are **£90.00 inclusive of VAT** for the inspection of the boiler and cooker hobs (if applicable), plus **£36.00 inclusive of VAT** for each additional appliance.
- 2.3 **Energy Performance Certificate** – Landlords are required by Law to provide a Certificate of Energy Performance prior to property being offered to Let. The Fees are **£120.00 inclusive of VAT**.
- 2.4 **Electrical Inspection Certificate Report (EICR)** – It is the Landlords responsibility to ensure that the property is in keeping with Health and Safety requirements. In the event of a fire caused by electrical fault in the property, the Landlord by be found liable. The fees are approximately **£300.00 inclusive of VAT**.
- 2.5 **Smoke and Carbon Monoxide Detection** – As of 2015, it is a legal requirement that all rented properties must ensure that there are working smoke alarms on every level of the property. It is also best practice to ensure that Carbon Monoxide Detectors are supplied in the property has Gas. Installation Fees are **£48.00 inclusive of VAT** per detection unit, plus an annual fee of **£30.00 inclusive of VAT** for checks and inspections.
- 2.6 **Additional Property Inspections** – After the first three months we will visit the property for a free inspection and report back to you. This service is only available of the Fully Managed Service. If you require any additional inspections, they are charged at **£60 inclusive of VAT** per inspection.
- 2.7 **Tenancy Deposit Scheme** – It is a Legal requirement that all deposits are registered with a tenancy deposit scheme. To register a deposit, there is an annual fee of **£40.00 inclusive of VAT**. For more information, please refer to clause 7 of this agreement.
- 2.8 **Rent Guarantee Scheme** – It is strongly advised that you consider rent protection in the rare cases that the tenant falls in to arrears. AR Lettings is unable to give legal advice in these matters, however we are able to provide information of services available.

Termination

- 3.1 The Agents appointment (if any) as Full Managing Agents shall continue for a period of six months from the commencement date and thereafter from month to month.

- 3.2 The Agents may at any time terminate such appointment as Full Managing Agents on one months' notice (whether during the initial letting period or not) and the Landlord may terminate same at any time after the initial letting period on one month's written notice.
- 3.3 The Agents appointment as Letting Only Agents shall continue until determined by either party giving one month's written notice to the other, subject to the rights of the Agents to be paid commission on extensions or renewals of the tenancy hereof provided that any letting effected or tenant introduced during such period of notice shall still entitle the Agent to be paid commission thereon as if such Notice had not been given.
- 3.4 Further in the event that either party terminates the appointment of the Agents hereunder (in either capacity) it shall be without prejudice to any claim by either party against the other in respect of any monies due or any antecedent breach of the terms hereof or in respect of any claim hereof which clauses shall continue in force notwithstanding any termination of the Agents appointment hereunder.
- 3.5 In the event that the Landlord wishes to terminate the tenancy, prior notice of nine to ten weeks must be given to the Agents.

Rental monies and arrears

- 4.1 All short hold agreements are set from the 1st of the month, which enables us to control arrears more efficiently.
- 4.2 Although every care is taken to ensure Tenants' payment of rent, circumstances may arise to the Tenant/s or Guarantor/s such as redundancy, accident, illness, divorce or even death which may prevent payment. For your protection we recommend the following policy:

Access

- 5.1 If access is required to the property by the landlord or agent, an appropriate amount of notice should be given to the tenant (approximately 24 hours). If the tenant however refuses access you must again pursue this matter through the Court.
- 5.2 If at the end of the agreement the tenant does not move, the Landlord must take their own legal advice.

Noise

- 6.1 Noise from the tenants can sometimes be a problem to neighbours and is usually dealt with by a letter or telephone call. However, if this persists, neighbours usually report the matter to the Environmental Health via the local authority who will request a noise diary for a set period of time. The Environmental Health department will monitor the problem and inform the tenants what action will be taken.
- 6.2 If the noise or misbehaviour persists, a notice giving the tenant fourteen days to comply will be issued and if this is ignored by the tenant and the noise or misbehaviours continue then Court proceedings can be issued for possession via your appointed solicitors.

The Tenancy Deposit

- 7.1 Austin Rees is a member of the Tenancy Deposit Scheme, which is administered by:
The Dispute Service Ltd

PO Box 541

Amersham

Bucks

HP6 6ZR

Phone: 0845 226 7837

Email: deposits@tds.gb.com

Fax: 01494 431 123

- 8.1 If we are (the Agent) is instructed by you (the Landlord) to hold the Deposit, we shall do so under the terms of the Tenancy Deposit Scheme.
- 9.1 The Agent holds tenancy deposits as Stakeholder throughout the tenancy.
- 10.1 If you (the landlord) decide to hold the deposit yourself, we will transfer it to you within days of receiving it. You (the landlord) must then register it with another Tenancy Deposit Protection Scheme with a further 9 days if the tenancy is an Assured Shorthold Tenancy. If you fail to do so the Tenant can take legal action against you the landlord in the County Court. The Court will make an order stating that you the landlord must pay the deposit back to the Tenant or lodge it with the custodial scheme which is known as the Deposit Protection Scheme. In addition a further order will be made requiring you the landlord to pay compensation to the tenant of an amount equal to three times the deposit. You the landlord will be unable to serve a Section 21 Notice on your tenant until compliance with the above conditions and the Court will not grant you the landlord a possession order. We the agent has no liability for any loss suffered if you the landlord fail to comply.

Or

If you, the landlord, decide to hold the deposit and the tenancy is an Assured Short hold Tenancy you the landlord must specify to us the Agent prior to the start of the tenancy under which other Tenancy Deposit Protection Scheme the deposit will be covered.

If the deposit is covered by Tenancy Deposit Solutions you the landlord must provide proof of member ship, together with a copy of the insurance policy before the deposit can be released. If the deposit is to be sent to the custodial scheme known as the Deposit Protection Scheme, we the agent will forward the deposit to the DPS and register the details of the tenancy.

11. At the end of the tenancy covered by the Tenancy Deposit Scheme

- 11.1 If there is no dispute, we, the agent will keep any amounts greed as deductions where expenditure has been incurred on behalf of the Landlord, or repay the whole or the balance of the deposit according to the conditions of the Tenancy Agreement with the Landlord and Tenant. Payment of the deposit will be made within 10 working days of written consent from both parties.
- 11.2 If, after 10 working days following notification of a dispute to the Agent/Member and reasonable attempts have been made in that time to resolve any differences of opinion, there remains an unresolved dispute between the Landlord and the Tenant over the allocation of the deposit it will (subject to 5.3 below) be submitted to the Independent Case

Examiner (ICE) for the Dispute Service for adjudication. All parties agree to co-operate with any adjudication.

- 11.3 When the amount in dispute is over £5000 the Landlord and the Tenant will agree by signing the Tenancy Agreement to submit the dispute to formal arbitration through the engagement of an arbitrator appointed by the ICE although, with the written consent of both parties, the ICE may at his discretion accept the dispute for adjudication. The appointment of an arbitrator will incur an administration fee, to be fixed by the Board of the Dispute Service Ltd from time to time, shared equally between the Landlord and the Tenant. The liability for any subsequent costs will be dependent upon the award made by the arbitrator.
- 11.4 The statutory rights of either you the landlord or the tenant to take legal action against the other party remain unaffected.
- 11.5 It is not compulsory for the parties to refer the dispute to the ICE for adjudication. The parties may, if either party chooses to do so seek the decision of the Court. However, this process may take longer and may incur further costs. Judges may, because it is a condition of the Tenancy Agreement signed by both parties, refer the dispute back to the ICE for adjudication. If the parties do agree that the dispute should be resolved by the ICE, they must accept the decision of the ICE as final and binding.
- 11.6 If there is a dispute we must remit to the Dispute Service Ltd the full deposit, less any amounts already agreed by the parties and paid over to them. This must be done within 10 working days of being told that a dispute has been registered whether or not you or we want to contest it. Failure to do so will delay the adjudication but the Dispute Service Ltd will take appropriate action to recover the deposit and discipline us.
- 11.7 The agent must co-operate with the ICE in the adjudication of the dispute and follow any recommendations concerning the method of the resolution of the dispute.

Incorrect Information - Warranty from Landlord to Agent

- 12.1 The Landlord warrants that all information he has been provided to the Agent is correct to the best of his knowledge and belief. In the event that the Landlord provides incorrect information to the agent which causes the agent to suffer loss or causes legal proceedings to be taken the landlord agrees to reimburse and compensate the agent for all losses suffered.
13. At the end of the tenancy:-
 - 13.1 The agent must tell the tenant within 10 working days of the end of the tenancy if they propose to make any deductions from the deposit.
 - 13.2 If there is no dispute the agent will keep or repay the deposit, according to the agreed deductions and the conditions of the Tenancy Agreement. Payment of the deposit or any balance of it will be made within 10 working days of the landlord and the tenant agreeing the allocation of the deposit.
 - 13.3 The tenant should try to inform the agent in writing if the tenant intends to dispute any of the deductions regarded by the landlord or the agent as due from the deposit within 20 working days after termination or earlier ending of the tenancy and the tenant vacating the property. The ICE may regard failure to comply with the time limit as a breach of the rules of TDS and if the ICE is later asked to resolve any dispute my refuse to adjudicate in the matter.
 - 13.4 If, after 10 working days following notification of a dispute to the agent and reasonable attempts having been made in that time to resolve any differences of opinion, there remains an unresolved dispute between the landlord and tenant over allocation of the deposit the

dispute will (subject to the next sub-clause below) be submitted to the ICE for adjudication. All parties agree to co-operate with the adjudication.

- 13.5 If the amount in dispute is over £5000 the landlord and the tenant agree to submit to formal arbitration through the engagement of an arbitrator appointed by the ICE although, with the written agreement of both parties, the ICE may at his discretion accept the dispute for adjudication. The appointment of an arbitrator will incur an administration fee, to be fixed by the Board of Directors of the Dispute Service Ltd from time to time, shared equally between the landlord and the tenant; the liability for any subsequent costs will be dependent upon the award made by the arbitrator.
- 13.6 The statutory rights of the landlord and the tenant to take legal action through the County Court remain unaffected by sub-clauses 7.1-5 above.

I/We confirm as the owner/s of the above mentioned property that I have read the above terms and conditions as supplied by Austin Rees Lettings (the Agent) and hereby authorise Austin Rees to sign the Assured Shorthold Tenancy Agreement on my/our behalf.

Signed: _____

Print Name _____ Date _____

Signed: _____

Print Name _____ Date _____