

AGENCY AGREEMENT

- Fully Managed Service -

This Agreement is made between the Landlord of the Property (as named at the end of this Agreement) and The Accommodation Shop, who agree to act as the 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 letting and management service offered and the scale of fees charged.

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

The Standard Management Service Includes:

- Advise the Landlord of the realistic achievable market rental of the property.
- Advise the Landlord of his/her statutory and contractual obligations.
- Advertising and generally marketing the property.
- Carry out viewings of the property while the property is being marketed.
- Interviewing prospective tenants and taking up full references by means of a specialist third party referencing company; including bank references, employer references and current Landlord references where applicable. Where necessary, additional security would be requested by means of a guarantor, who will also undergo the same reference checks.
- Preparing the tenancy agreement necessary for the Landlord to gain protection of the relevant Rent and Housing Acts, and renewing the agreement if requested by the Landlord or tenant at the end of the tenancy.
- Preparing an inventory for the property at the beginning of each new tenancy which will be checked and signed with the new tenant on the day of the check in and again on the check out.
- Check the tenant into property at the start of the tenancy. Sign the inventory at the property and take all meter readings.
- Carry out a full property inspection and check the tenant out of the property at the end of the tenancy. If necessary, agreeing a schedule of costs for repairs and/or maintenance with the tenant and then arranging with contractors for works to be carried out.
- Taking the deposit from the tenant at the start of the tenancy and protecting the deposit under the requirements of the chosen deposit protection scheme. Holding it until the end of the tenancy and releasing it after the property has been fully inspected and is satisfactory on the check out day. Dealing with both the tenant, Landlord and deposit protection scheme to arrange for a fair return of the deposit to the tenant.
- Collecting the rent monthly and paying it over to the Landlord the following month, along with a detailed rent statement, after the agency fees or any other additional fees have been deducted. Payments to be made to Landlords via bank transfer or a cheque if requested.
- Informing all the relevant service companies of the change of tenant and providing them with meter readings on the check in and check out.
- Regular inspections are carried out on the property on a quarterly basis.
- Co-ordinating any reported maintenance directly with the tenant. Organizing contractors to carry out the works, collecting quotes where necessary and settling accounts from rent received.

List of Fees and Charges

Managed

Landlord Setup & Relet Fee (*Managed*) - from **£225.00**
Management Fee / Monthly Commission - **10%**

Rent and Legal Expenses Insurance

Homelet (*Monthly Premium*) - **3.15%**
Rent 4 Sure (*Monthly Premium*) - **3.15%**
Towergate (*Annual Premium*) - **2.99%**

Additional Fees

Section 8 Notice (*notice to quit*) - **£75.00**
Section 21 Notice (*notice to quit*) - **£50.00**
Section 13 Notice (*rent increase*) - **£50.00**
Section 48 Notice (*change of Landlord*) - **£50.00**
Contract Renewal - **£50.00**
Court Appearances (*per hour*) - **£40.00**
Deposit Protection - **£50.00**

Minimum Fee - £350.00

- Terms of Business -

1. GENERAL AUTHORITY

The Landlord confirms that he/she is 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 in items 1-15 of the standard management service – detailed previously.

2. LIABILITY OF TENANT DEFAULT

Although the aim is to take every care in managing the property, the Agent cannot accept responsibility for non-payment of rent, damage to the property or any associated legal costs incurred in their collection where the Agent has acted correctly in terms of this agreement, or on the Landlords instructions. **An insurance policy is recommended for this eventuality.**

3. REASONABLE COSTS AND EXPENSES

The Landlord agrees to repay the Agent for any reasonable costs, expenses or liabilities incurred or imposed on the agent, provided that they were incurred on behalf of the Landlord in pursuit of the Agent's normal duty.

To assist the Agent in carrying out his duties effectively, the Landlord agrees to respond promptly with instructions when necessary to any correspondence or requests from the Agent.

Where the agreement is cancelled after providing three months notice to the Agent, the Landlord agrees to repay any reasonable costs incurred by the Agent in carrying out their duties before cancellation of the contract.

4. MAINTENANCE

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 retained maximum expenditure limit (£250) 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 (although the administration of major works or refurbishments will occur an addition charge). 'Retained maximum expenditure' limit means that the Agent has the authority to spend up to this amount (or other amounts individually agreed) on reasonable improvements or repairs in any single monthly accounting period without prior reference to the Landlord.

For expenditure in excess of the agreed expenditure limit the Agent will normally request authorisation in advance, although it is agreed that in an emergency or for reasons of contractually 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 for the central heating and any gas appliances, as well as providing an EPC (Energy Performance Certificate) for the property. The Agent can carry this out on the landlord's behalf and expense and administrate the necessary inspection and maintenance records. The reasonable costs involved will be debited to the landlords account.

Where the Agent is required to co-ordinate and repair maintenance work on behalf of the Landlord, the Agent will not be responsible for any negligence, damage, 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 a 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 in order 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 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 and will inform the relevant service companies (electricity, gas, water, sewage & council tax) of these readings and the change of occupation. In many cases, the service companies (e.g. telephone, internet or television) require that the new occupier 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. clubs, banks, societies etc.) of their new address, as 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 a good inventory and condition reports from the outset. The Agent will prepare an inventory with photos as evidence attached, which will be included in the agency fee. The standard inventory will include all carpets, wall coverings, curtains, mirrors, all removable items, ovens, white goods, gardens and any other articles that, in the opinion of the Agent, need regular checking. (All additional items will be included in regards to fully furnished properties.)

Landlords should not leave any items of exceptional value in the property.

9. TENANCY AGREEMENT

The agency fee also includes the preparation of a tenancy agreement in the Agent's standard form. 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).

The tenant will be provided with his/her own copy of the tenancy agreement and a second copy will be held in our office, an additional copy can be provided to the Landlord on request.

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) in order 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. AGENT FEES

The Agent reserves the right to vary fees and charges, on giving 3 months written notice to the Landlord.

All fees and charges shall be deducted from the rental income, but the Agent reserves the right to charge the Landlord direct for any shortfall.

12. TENANT HOLDING/REFERENCING FEES

A holding/referencing 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 pay the Agent administrative expenses.

The holding fee does not protect the Landlord against loss of rent due to the tenant deciding to withdraw his/her application before the contract is finalized.

Landlords should notify the Agent if they wish a larger security fee or deposit to be taken.

Landlords will be liable to reimburse the prospective tenants referencing fees if the Landlord withdraws the property once the referencing process has already begun.

13. 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 deposit is to protect the Landlord against loss of rent or damage to the property during the tenancy itself.

Where the tenancy is an assured shorthold tenancy, it is a legal requirement that either the Agent or Landlord protect the deposit in a separate secure Government-regulated holding scheme account within 4 days of receipt.

For this, The Accommodation Shop use:

- The Deposit Protection Service (DPS)
- My Deposits

When using one of the statutory tenancy deposit protection schemes above, the Agent will provide to the tenant within 14 days the following information required from the Landlord by the Housing Act 2004:

- a) information on the particular scheme under which the tenancy deposit is protected
- b) compliance by the Landlord with his obligations under the Act, and
- c) prescribed information for the tenant.

14. DEPOSIT DISPUTES

The Agent will first attempt, by negotiation, to resolve any deposit disputes between the Landlord and the tenant.

When a dispute cannot be resolved between the parties and the deposit is subject to statutory tenancy deposit protection, 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. The Agent will prepare estimates or quotes for the necessary works and confirm with the Landlord before any works are carried out.

The Landlord authorises the Agent to make appropriate deductions from the rental income on the last month of the tenancy to cover any cleaning, repairs or other maintenance costs.

15. INSPECTIONS

Under the Standard Management Service, the Agent will 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. housing 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).

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) together with any recommended deductions or replacement values.

16. TERMINATION

Agency Agreement.

This agreement may be terminated by either party by way of three 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 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.

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 legally binding agreement for the term agreed. Details of a tenancy agreement 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.

Agreements signed away from Agent's office.

Where the Agency Agreement is cancelled using early termination rights granted under any consumer protection legislation that provides for initial 'cooling-off' period, then the Landlord agrees to repay any reasonable costs incurred by the Agent carrying out their duties before the cancellation of the contract.

17. COMMISSION ON SALE

In the event of the tenant purchasing the property from the Landlord, a fee of 1% (exclusive of VAT) of the purchase price will be payable on completion.

18. SOLE LETTING RIGHTS

It is agreed that only the Agent or the Landlord(s) may let the property.

19. SAFETY REGULATIONS

The letting of property is now closely regulated with respect to consumer safety. The law makes particular 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

It is agreed that the Landlord shall ensure that the property is made available for letting in a safe condition and in compliance with the above regulations. Under the Standard 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.

20. INSTRUCTIONS

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

21. VALUE ADDED TAX

Our fees and charges to the Landlord all incur VAT which is added to the fee at the appropriate rate.

22. 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 under the full management service.

The Accommodation Shop is FSA (Financial Services Authority) registered under registration no. 313799 and can provide insurance policies at competitive rates.

23. 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 to six years thereafter, whether or not the Agent continues to be engaged to let or manage the property under this Agreement.

24. LEGAL PROCEEDINGS

Any delays of payment or other defaults will be acted on by the Agent in the first instance. When 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 authorized to instruct a solicitor on the Landlords behalf). The Landlord is responsible for payment of all legal fees and any related costs.

25. RENEWALS

The Agent does not normally carry out contract renewals after the term has expired; instead it becomes a statutory periodic assured shorthold agreement. However the contract can be renewed at the specific request of either the Landlord or the tenant(s) at an additional cost (as specified in the list of charges and fees).

26. ACCEPTANCE AND VARIATION

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

LANDLORD(S) DETAILS

(Full Names)

Landlord (1)

Full Address

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.....

Landlord (2)

Full Address

.....
.....

Landlord (3)

Full Address

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(If you live abroad and wish to receive your rent without tax deductions, please provide Non Resident Landlord Certificate Number.)

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Home no...... **Mobile no.**..... **Work no.**.....

Email

PROPERTY(S) DETAILS

(This Agreement also includes any other additional properties that the Landlord requests the Agent to manage.)

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.....

MORTGAGE LENDER

(Name, address, roll number and contact details.)

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FREEHOLD / LEASEHOLD?

(If Leasehold, please provide the name and address of the Freeholder or Managing Agent, along with a copy of the Lease.)

FREEHOLD

LEASEHOLD

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.....

ACCOUNT DETAILS

(To transfer rent to your account.)

Name of Account Holder

Bank Name

Address

.....

Account Number Sort Code

INSURANCE

(Please note, we strongly recommend all Landlords take out Rents and Legal Expenses Insurance. If you would like Buildings or Contents insurance please complete our Insurance Questionnaire sheet.)

The Accommodation Shop to arrange Buildings Insurance

The Accommodation Shop to arrange Contents Insurance

The Accommodation Shop to arrange Rent and Legal Expenses Insurance

SAFETY REQUIREMENTS AND CERTIFICATES

(Please tick what arrangements have been made to provide the following.)

Gas Safety Certificate (CP12)	Landlord <input type="checkbox"/>	Agent Arranges <input type="checkbox"/>
Electrical Safety Report	Landlord <input type="checkbox"/>	Agent Arranges <input type="checkbox"/>
Energy Performance Certificate (EPC)	Landlord <input type="checkbox"/>	Agent Arranges <input type="checkbox"/>

FEES

(All fees are exclusive of VAT.)

Setup Fee (£): **Relet Fee (£):**

Monthly Commission (%): **Renewal Fee (£):**

DECLARATION

I/we confirm that we are the sole/joint owners of the property.
I/we fully understand and agree to the Terms and Conditions specified in this agreement.

Signatures of Landlords

1. **Date**

2. **Date**

3. **Date**

Signature of Agent - **Date**