

## **AGREEMENT BETWEEN ALLEN HERITAGE LIMITED AND**

**(Landlord):**

## **FOR THE LETTING, COLLECTION OR MANAGEMENT OF RESIDENTIAL PROPERTY**

### **Definitions & Interpretation**

**“Landlord(s)”** include anyone owning an interest in the Premises, whether freehold or leasehold, entitling them to possession of it upon the termination or expiry of the Tenancy and anyone who later owns the Premises.

**“Tenant”** includes anyone entitled to possession of the Premises under a subsequent tenancy agreement

**“Agent”** or **“Member”** is **Allen Heritage, 97 High Street, Beckenham, Kent BR3 1AG** Tel: 020 8663 4600 or anyone who subsequently takes over the rights and obligations of the Agent.

**“Premises”** includes any part or parts of the building boundaries fences garden and outbuildings belonging to the Landlord unless they have been specifically excluded from the Tenancy. When the Tenancy is part of a larger building the Premises include the use of common access ways and facilities.

**“ICE”** the Independent Case Examiner of The Dispute Service Ltd.

**“Fixtures and Fittings”** include references to any of the fixtures, fittings, furnishings, or effects, floor, ceiling or wall coverings.

**“Inventory and Schedule of Condition”** is the document drawn up prior to the commencement of the Tenancy by the Landlord, the Agent, or Inventory Clerk which shall include the Fixtures and Fittings in the Premises including all matters specified in the Inventory and Schedule of Condition, which will be given to the Tenant at the start of the Tenancy.

**“Deposit”** is the money held by the Agent or Landlord (in a stakeholder capacity) during the Tenancy in case the Tenant should fail to comply with the terms of this Agreement.

**“Stakeholder”** means that deductions can only be made from the Deposit at the end of the Tenancy with the written consent of both parties, the consent of the court or an adjudication decision from TDS.

**“Superior Landlord”** means the person for the time being who owns the interest in the Premises which gives him the right to possession of the Premises at the end of the Landlord’s lease of the Premises.

**“Head Lease”** sets out the promises made to a Superior Landlord. The promises contained in this Head Lease will bind the Tenant if he has prior knowledge of those promises.

**“the Policy”** means any insurance policy held by the Landlord for the Premises or the Fixtures and Fittings.

References to the singular include the plural and references to the masculine include the feminine.

The Landlord agrees that the laws of England and Wales shall apply to this Agreement.

### **Lettings Service - Fees**

Upon introducing a tenant who enters into a binding Tenancy Agreement on the premises, our commission will be charged as follows:-

- \* 8% plus VAT of the total rent reserved under the terms of the Agreement.
- \* If the tenancy terminates before the due date there is a pro rata refund.
- \* The total amount of commission due is payable at the commencement of each tenancy.
- \* Our minimum letting fee is £400 plus VAT.

The services included in our commission (if required by you) are:-

- \* Taking up references but not including any charges for company investigations.
- \* Preparation and submission of initial rent statement
- \* Collection and holding of the deposit payable by the tenant against damages

### **Rent Collection - Fees**

Our rent collection fees are 10%, of the monthly rent, plus VAT, for the duration of the tenancy, including subsequent tenancy extensions, and will be deducted monthly and accounted for on the rent statement. Our rent collection service includes, as well as the services listed in 1 above, collection of the monthly rent, pursuing late payments, reporting arrears, providing a monthly rent statement and direct transfer of funds to the Landlords account. If it is necessary for a solicitor to take action due to non-payment of rent, you will be responsible for instructing your own lawyer and for all fees involved.

### **Management - Fees**

Our management fees are 15%, of the monthly rent, plus VAT, for the duration of the tenancy, including subsequent tenancy extensions, and will be deducted monthly and accounted for on the rent statement. Our management service includes, in addition to those listed in 2 & 3 above the following:-

We shall deal, without any additional fee, with day-to-day management matters, including minor repairs up to a maximum of £200 for any one item. Except in an emergency, wherever practical, an estimate will be submitted to you for approval in respect of works or redecoration, renewal or repair likely to cost more than £200. An additional supervisory fee of 5% plus VAT of the total cost is charged for supervising any major works requested by you.

Our management will include investigation of defects which come to our notice or are clearly and adequately brought to our attention by the tenant. We inspect the property at least twice a year and report to you on the condition of the property, discussing any problems that have arisen, and the action to be taken. It should be appreciated that any such inspection can extend only to apparent and obvious defects and would not amount in any way to a structural survey of the property. We cannot accept responsibility for hidden or latent defects. Extra visits will be made at a charge of £75 plus VAT per visit.

### **Additional Services**

We can, if required and for an additional fee, pay current outgoing such as ground rent, water rates, insurance premiums and any service charge and/or maintenance charge or similar contribution to shared expenses and account to you regularly. Although we shall do our best to query any obvious discrepancies, it must be understood that we are entitled to accept and pay, demands and accounts which appear to be in order. In particular, we cannot accept responsibility for the adequacy of any insurance cover or for the verification of service/maintenance charge demands or estimates where applicable.

### **Sub-Letting**

If you are a tenant or lessee you must make certain:-

That the intended unfurnished/furnished letting is permitted by your lease

That the intended unfurnished/furnished tenancy is for a period expiring prior to the termination of your lease. That your superior Landlord's written permission, if necessary, has been obtained for the sub-letting. If in doubt, refer to the lease or tenancy agreement.

### **Services Provided by Third Parties**

Although we may arrange for contractors and tradesmen to carry out specified works or services on your behalf, we do not accept responsibility any liability whatsoever for any damage caused by them, for their failure or for their negligence.

### Mortgagors

Where the property to be let is subject to a mortgage, permission is normally required from the mortgagor to let the property unfurnished/furnished. Obtain your mortgagors permission to let (if required) in writing, at the earliest date rather than applying for this when a tenant is found. Most mortgages enable the lender to withhold permission without providing a reason.

### Outgoings

Unless otherwise agreed, the rent quoted to a tenant by Allen Heritage on your behalf must be inclusive of all outgoing for which you are responsible (i.e. maintenance payments, ground rent, service charges, etc) with the exception of gas, electricity, telephone, Council Tax and water rates.

### Inventories

Inventories will be prepared by Allen Heritage unless specific instructions are received to the contrary. Our fees are as follows ( all prices are plus VAT);

	<u>Unfurnished</u>	<u>Furnished *</u>
• 1 Bedroom Property	£99.00	£120.00*
• 2 Bedroom Property	£119.00	£149.00*
• 3 Bedroom Property	£129.00	£169.00*
• 4 Bedroom Property	£139.00	£199.00*
• 5 Bedroom Property	£159.00	£225.00*

*\* Extra time required to complete Inventories on furnished properties containing more than the bare essentials required for a tenant will be charged at an hourly rate of £25.00.*

### Unfurnished/Furnished Tenancy Agreement and Charges

Unless we are instructed otherwise we use our standard form of Tenancy Agreement in respect of all unfurnished/furnished lettings. Our charge to the Landlord for this form of agreement, being for a term of six or twelve months or less, is £75 plus VAT. Stamp Duty is due at the official rate on the rent paid, being the responsibility of the Landlord and the Tenant, and invoiced by ourselves as part of the initial payment. Landlords instructing their own solicitors to prepare an agreement must be responsible for their lawyer's fees. Our check-in fee is £75 plus VAT and will include meter reading and notification of utility services including the local authority.

### Rent Remittances

Present banking arrangements are such that it is necessary for Allen Heritage to allow approximately fourteen days for rent payments to be cleared before transferring monies to your account. No rent will be payable to yourselves until we hold cleared funds from the Tenant. We reserve the right to allocate rental income to meet the landlords statutory obligations.

### Insurance

Make certain that the property and contents are adequately insured and that you have informed your insurance company of your intention to do so, as many household policies do not cover unfurnished/furnished lettings. We have details of buildings contents and legal protection policies currently on the market which can be provided on request.

### The Tenancy Deposit

Allen Heritage 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

If Allen Heritage are instructed by you to hold the Deposit, we shall do so under the terms of the Tenancy Deposit Scheme.

If you decide to hold the Deposit yourself, we will transfer it to you within 5 days of receiving it. You must then register it with another Tenancy Deposit Protection Scheme within 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 in the County Court. The Court will make an order stating that you 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 to pay compensation to the Tenant of an amount equal to three times the Deposit. You 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 a possession order. Allen Heritage has no liability for any loss suffered if you fail to comply.

Allen Heritage hold tenancy deposits as Stakeholder.

### **At the end of the tenancy covered by the Tenancy Deposit Scheme**

If there is no dispute Allen Heritage will keep any amounts agreed 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 the Tenant. Payment of the Deposit will be made within 10 working days of written consent from both parties.

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 be submitted to the ICE for adjudication. All parties agree to co-operate with any adjudication.

When the amount in dispute is over £5,000 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.

The statutory rights of either you or the Tenant(s) to take legal action against the other party remain unaffected.

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.

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 not delay the adjudication but The Dispute Service Ltd will take appropriate action to recover the deposit and discipline us.

Allen Heritage 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**

The Landlord warrants that all the information he has provided to Allen Heritage is correct to the best of his knowledge and belief. In the event that the Landlord provides incorrect information to Allen Heritage which causes them to suffer loss or causes legal proceedings to be taken the landlord agrees to reimburse and compensate them for all losses suffered. Details of your rental property will be made available on line prior to the commencement of marketing. By allowing marketing to commence you are confirming that these details are a correct and are an accurate description.

### **Terms of Management Appointment**

The Landlord agrees that he appoints Allen Heritage or our assignees as his agent in connection with the agent's functions under this agreement and the tenancy agreement to be entered into, and authorises Allen Heritage (without any obligation to do so) to enter the premises and take all reasonable steps with regard to our appointment as agent. Once a Tenant has been found for the property, we can, if agreed, arrange to collect the rent on your behalf, or have it debited directly to your own account. We expect to be placed in sufficient funds being a minimum of £200 at the commencement and, if necessary, during the term of the management, to enable Allen Heritage to

meet all expenditure prior to the next rent collection. We hold this working balance so that we can undertake to meet any outgoings up to the limit of the cash available in our hands on your account

### **Void Periods**

Our management function does not include the supervision of the property when it is not let, although in the normal course of letting, periodic visits may be made to the accommodation by our lettings staff. It also does not include any period before the property is let. However, if you wish Allen Heritage to manage your property during a void period we will gladly do so at a charge of £15 per week.

### **Tax and the Landlord**

Where the Landlord of the property has a normal place of abode outside the UK the Commissioners for the Inland Revenue will hold Allen Heritage, as your agents, responsible for the payment of any tax liability which arises on rents collected by Allen Heritage on your behalf, unless you have obtained an approval number.

The eventual liability for tax may be considerably less than the amount we have retained and paid to the Inland Revenue, and we suggest that you employ accountants or other tax advisers to complete tax forms to obtain an approval number for both yourself and your spouse (if relevant), and to agree your assessment each year with the Inspector of Taxes. We regret the necessity to make such deductions but you will appreciate that we have no alternative in view of our responsibility to meet the tax liability on your behalf if you have not obtained an approval number.

If you as Landlord are resident in the UK you should declare your residential lettings income to the Inland Revenue annually as it is assessable for income tax.

### **Statutory Applications**

Applications for market rent appearances before the Rent Assessment Committee or any other Court or Tribunal will be by special arrangement only and will form the subject of an additional charge, being £75 per hour.

### **Purchase by Party Introduced by Allen Heritage**

In the event of any party introduced by Allen Heritage (or any person or corporate body associated with that party) subsequently purchasing the premises, whether before or after entering a tenancy agreement, commission shall be payable to Allen Heritage on completion of the sale at the reduced rate of 1.25% of the sale price, plus VAT at the standard rate.

### **Sale of Premises to a Third Party**

If the Landlord sells the property to a third party and the tenant introduced by ourselves remains in occupation the Landlord will be liable for all our fees until the tenant vacates the property.

### **Indemnities**

The Landlord agrees to indemnify Allen Heritage as agents against any costs, expenses or liabilities incurred or imposed on Allen Heritage provided that they were incurred on his behalf in pursuit of our normal duties.

### **Furniture Regulations**

Under the Furniture and Furnishings (Safety) (Amendment) regulations 1993 the Landlord has the obligation to ensure that all furniture in properties being rented for the first time, or any new or additional furniture being put in a property already rented out, must comply with the furniture regulations by displaying a label stating that they are fire resistant. If items of furniture do not comply with the furniture regulations, the Landlord must either change the items of furniture or authorise ourselves as agents to either replace or remove the items before any tenancy commences. Instructions to let a property available for rental will only be accepted if all furniture complies with the regulations. Failure to comply can result in prosecution.

### **Electric and Gas Appliances Regulations**

Under the Electrical Equipment (Safety) (Amendment) Regulations 1994 and the Gas Safety (Installation and Use) Regulations 1998, all low voltage electric appliances and all gas appliances must be checked by professional tradesmen and all items marked with the date and time of testing to comply with Government Regulations. The Landlord must carry out such tests before a tenancy can commence and thereafter annually. The agent reserves the right to deduct costs from the rent to comply with this regulation. All appliances must have instruction books left at the property. Failure to comply with the Regulations is a criminal offence.

### **Flag Board**

The Landlord agrees that the agent can place both a let and let by board outside the property

### **Commissions, Interest and Pre-Tenancy Holding Deposits**

Any commissions, interest, Pre-Tenancy holding deposits or income earned by ourselves whilst carrying out our duties as agent for the letting and/or management of the property will be retained by the company. This, for example, would include any commission that we may receive for helping the tenant find the most appropriate insurance or retaining the Pre-Tenancy Holding Deposit to cover our admin costs in the event that a tenant withdraws prior to signing the tenancy agreement.

### **Alteration of Terms**

The agent reserves the right to alter terms and conditions of business by giving the Landlord not less than three months' notice in writing of the changes. At the end of the three months the new terms will apply.

### **Value Added Tax**

Except where otherwise stated, our fees and any other charges we may make are subject to VAT.

### **Service of Notices**

A charge of £35 + Vat will be made for the serving of notices.

### **Ombudsman for Estate Agents**

Allen Heritage are registered members of the Ombudsman for Estate Agents (OAE) Scheme for lettings and as such subscribe to their Code of Practise

### **Our Complaints Procedure.**

If you feel you have cause to make a formal complaint please do so in writing to the respective Manager. Your complaint will be acknowledged within 3 working days and, in accordance with established in-house procedures, thoroughly investigated and a reply sent within 21 days working days of your initial communication. If you are not satisfied with the reply you may ask that an independent Manager review your complaint and the process will be repeated. If the second reply fails to satisfy your grievance then you may refer the complaint to the Managing Director, Rob Allen MNAEA MARLA who will present a final review within the same timescales.

In the event that the final review fails to satisfy your grievance you are at liberty to have the matter referred to The Property Ombudsman, to whom information will be provided by this firm. You are also entitled to have your grievance referred to The Property Ombudsman should we fail to deal with this matter expeditiously i.e. within 3 months from the date of written notification to ourselves.

### **Termination of Our Service**

During the marketing phase, before a suitable tenant has been found, our services can be terminated by providing 2 weeks written notice. If our services are to be terminated during the tenancy of a find only service we do not require any notice. If our services are to be terminated during either a Collect or Managed service we will require a minimum of 2 months written notice not to expire before 6 months from the commencement of the Tenancy.

### **Energy Performance Certificate**

In accordance with the Housing Act 2004 all property let requires a current Energy Performance Certificate. If one is not available we will commission a certificate at a cost of £75 + Vat.

### **The Property Misdescriptions Act 1991**

It is an offence to make a false or misleading statement or omission about your property. Details of your property will be made available on line prior to the commencement of marketing. By allowing marketing to commence you are confirming that these details are a correct and are an accurate description. You must also advise us of any change to your property that would make the prepared details inaccurate.

### **Distance Selling Laws**

By signing this agreement you agree to the performance of our Service before the end of the usual (7) seven day cooling off period, provided as a cancellation right under the Distance Selling Laws, which would (but for the inclusion of this clause) otherwise end (7) seven days after the date of this agreement, because you do not wish to wait until the end of the cooling off period before this Service is performed.

**Authorisation**

As agent of the Landlord we can legally bind our principal, that is the Landlord, by signing the tenancy agreement on his behalf. If authorisation to ourselves to sign the agreement on your behalf is not granted please delete the relevant section of the contract below.

- *I /We authorise/do not authorise you to sign tenancy agreements on my/our behalf.*

Service	Cost	Total
Energy Performance Certificate	£75.00	
Inventory	£	
Gas Safety Certificate	£75.00	
Professional Pre-Tenancy Clean	£	
	<b>Total =</b>	
	<b>Plus Vat =</b>	
	<b>Total Payable =</b>	

I / We confirm that sufficient time was given to read and understand these terms and conditions before signing the agreement and that I am aware that I am entering into a legally binding agreement. It is also confirmed that I / we have the full legal right to enter into this agreement and that I have the legal authority to let the property.

*\*Delete as appropriate*

Property Address & Postcode .....

.....

The Landlord(s);

Full Name of Landlord 1

Full Name of Landlord 2

.....

.....

Address for Landlord 1

Address for Landlord 2

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Signature Landlord 1

Signature Landlord 2

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Date of Signature.....

Date of Signature.....