

# TERMS & CONDITIONS FULLY MANAGED SERVICE

For the purpose of this agreement the following definitions will apply:-

**Keywest Estate Agents Ltd** shall be known as **'The Agent'**

'.....' shall be known as **'The Owner'**

'.....' shall be known as **'The Property'**.

## **OWNERSHIP OF THE PROPERTY. THE RIGHT TO ENTER INTO A LETTING CONTRACT & REQUIREMENTS WHERE THE OWNER HAS BORROWED MONEY SECURED AGAINST THE PROPERTY (FOR EXAMPLE, BANK OR BUILDING SOCIETY MORTGAGE OR LOAN)**

1. By signing these Terms and Conditions, the Owner is confirming that he is the owner of The Property and has the power and authority to enter into this agreement. The Owner is also confirming that he has obtained all necessary consents from any mortgagee or other lender, individual or organisation that has an interest in or security on The Property. The Agent accepts no liability for this nor for seeking any necessary consents unless otherwise agreed with The Owner and confirmed in writing.
2. The Owner confirms that there are no arrears on any mortgage or loan on The Property and is not aware of any proceedings by the mortgagee or other creditor for re-possession of The Property. In the event of The Property being re-possessed by a mortgagee, The Owner hereby indemnifies The Agent against any liability or claim against The Agent by the tenant or mortgagee.

## **INSURANCE REQUIREMENTS**

3. The Owner is responsible for verifying with his insurance company the position in respect of insurance of buildings and contents of The Property with regard to the proposed letting.

## **THE OWNERS INSTRUCTIONS TO THE AGENT & FEES AGREED FOR THE SERVICES - FINDING A TENANT & POSSIBLE PURCHASE BY A TENANT OR FORMER TENANT**

4. The Owner hereby instructs The Agent to find and install a tenant into The Property. When a suitable tenant has been found for The Property, The Agent will deduct from the first months rent a letting fee of £200 plus VAT @ current rate, plus the first month's management fee.
5. After a tenant has been installed to The Property a fee for the management of The Property will be taken by The Agent as a percentage of the rent received. The monthly management fee payable by The Owner to The Agent is 9% + VAT at current rate.

6. The Owner agrees to provide details of a U.K. bank account into which The Agent can pay funds directly via the BACS automated bank payment system. If The Owner requires payment by cheque or any other method, an additional 2% charge will apply. VAT will be payable on all of the charges quoted. The Agent will collect the rent quarterly or monthly in advance and will account to The Owner on a quarterly or monthly basis after deducting any fees or expenses due or incurred for the period. Payments will normally be made by direct bank transfer. Payment and an accompanying detailed statement will be sent to the owner within a maximum of 10 days of The Agent receiving cleared funds from the tenant. If printed statements are required, a charge of £25 per tenancy will be imposed for this service.

## **PAYMENT FREQUENCY & DEPOSITS**

7. Rentals will be on a quarterly or calendar month basis and all tenants will pay a deposit against any damage to The Property or damage or loss to any of the items listed in the inventory (not including wear and tear) and any rent arrears, unless otherwise agreed by all parties. The deposit will normally be equivalent to one months rent plus £100.00. A deposit equal to one month's rent will be taken on student accommodation. The deposit will be held by The Agent as stakeholder and will be kept in a government approved deposit scheme. Interest will not be paid on any deposit moneys held.

## **OVERSEAS LANDLORDS (LANDLORDS NOT LIVING IN THE UK OR LATER MOVING OVERSEAS)**

8. The Owner confirms that he is currently resident in the U.K and that if The Owner moves to reside overseas during the period that The Agent is managing The Property, he will undertake to notify The Agent in writing immediately.
9. Where The Owner is or becomes a non U.K. resident during any tenancy The Agent is obliged by law to deduct tax from the rental income and pay tax direct to the Inland Revenue on a quarterly basis (30<sup>th</sup> June, 30<sup>th</sup> September, 31<sup>st</sup> December and 31<sup>st</sup> March, unless the landlord opts out). Between the periods specified, funds retained for any tax liability will be held by The Agent in a bank account or investment account of The Agents choice without any liability for interest to be paid to The Owner.
10. The Owner may be entitled to receive the rental income gross with the permission of the Inland Revenue; however The Agent must be in possession of an exemption certificate from the Inland Revenue in order to do so. Appropriate forms are available from the Inland Revenue or The Agent.
11. The Agent strongly advises The Owner to obtain permission from the Inland Revenue for rental income to be paid gross. The Agent makes no claim to competence on taxation matters and if The Owner decides not to seek permission from the Inland Revenue for rental income to be paid gross The Owner hereby indemnifies The Agent against any error or omission in the calculation of the tax liability.

N.B. An additional 2% Management Fee will be charged where The Agent does not receive Inland Revenue authorisation to pay gross rental income to The Owner direct.

## **TERMINATION OF THIS AGREEMENT**

12 Whilst a tenancy agreement is in force this agreement may be terminated by The Owner by way of three months written notice or by payment equivalent to three months management fee. The Owner must note however that if The Property is withdrawn or for any reason is made unavailable to let after receiving details of an application to let (in writing or verbally) from The Agent, The Owner will be entirely responsible for any costs claimed by the applicant/tenant and/or The Agent. The Agent reserves the right to immediate termination.

## **THE AGENTS RESPONSIBILITIES**

13 The Agent will endeavour to ensure continuity of rent and maintenance of The Property, but shall not be personally liable to The Owner for any default of rent or any other debt, any damage caused to The Property by any tenant, any associate of any tenant, or any other person. Any delays of payment or other defaults will be acted upon by The Agent in the first instance. Where The Agent has been unsuccessful in these initial actions, or there are any significant rent arrears or breaches of the tenancy agreement, The Owner will be advised accordingly. A solicitor should then be appointed and instructed by The Owner (except where The Agent is unable to contact The Owner, in which case The Agent is authorised to instruct a solicitor on The Owner's behalf). The Owner is responsible for payment of all legal fees and any other related costs. Where The Owner has a valid rent and / or legal protection insurance policy in force, it will be the responsibility of The Owner to advise the insurers of a claim and to communicate any further correspondence unless otherwise agreed by The Agent and The Owner.

14 The Agent will notify the appropriate bodies in connection with the transfer of utilities including council tax and water charges at the start and end of any tenancy period (excluding telephone companies) unless otherwise agreed. No liability is accepted by The Agent for failure of the utilities to act upon The Agents notification.

15 An inventory of the contents of The Property and their condition will be taken only when new tenants are found by The Agent. The inventory will be given to the tenant at the start of the tenancy. The tenant will be required to sign and return one copy of the inventory within seven days of the start of the tenancy or it will be considered accepted as received. Any significant comments received from the tenant on the inventory will be drawn to The Owner's attention. When the tenant leaves The Property, The Agent will check the inventory prior to the deposit being returned. The Agent will not enter into or be responsible for any dispute which may arise in connection with the inventory. The Agent reserves the right to instruct a specialist inventory company to prepare an inventory and conduct the procedures involving the tenant checking into and checking out of The Property. Where a specialist inventory company is used The Agent will agree costs and responsibilities with The Owner prior to the inventory being prepared.

16 Where instructed by The Owner, The Agent will serve legal notice to obtain vacant possession of The Property at the end of the fixed term tenancy or during a periodic tenancy.

17 The serving of notices for arrears or other contractual failures on the part of a tenant can be complex and require legal expertise beyond The Agents specialist skills. Therefore, where notice is to be served requiring vacant possession for the tenants failure to fulfil the terms of the tenancy agreement, a legal expert must be instructed by The Owner at The Owners' expense, unless The Owner has taken out a Rent and Legal Protection Insurance Policy.

18 The Owner hereby authorises The Agent to dispose of the deposit in whatever manner The Agent considers fair and equitable and in line with current legislation. The Agent will report on facts only and will not enter into any dispute between The Owner and the tenant. The Agent cannot be held responsible for the tenants conduct or standard of living whilst occupying The Property.

- 19 During occupancy of The Property by a tenant, The Agent will endeavour to carry out periodic inspections of the property if managed. It is not the intention to check every item of the inventory at these inspections. The inspection is concerned with verifying the good order of the tenancy and ensuring that The Property is being used in a tenant like manner. The Agent will inform The Owner verbally or in writing after the inspection as to the general condition of The Property if there is cause for concern. The Agent will not enter into any dispute which may arise between The Owner and a tenant.
- 20 Where The Property remains unoccupied between letting periods, The Agents responsibility does not include supervision and security of The Property. The Agent advises The Owner to ensure that adequate arrangements are made for the postal authority to forward mail as soon as The Owner leaves The Property. The Agent accepts no liability for forwarding mail to The Owner during period the property is let or whilst it remains vacant.

## **THE OWNERS RESPONSIBILITY FOR MAINTENANCE/SAFETY**

- 21 The Agent recommends The Owner has suitable maintenance contracts for any items left at The Property which may require repair or attention during the tenancy. If The Owner is unsure of plans for emergency repairs they should seek further details from The Agent. The Agent also recommends that suitable arrangements be made by The Owner for any gas appliances to be regularly serviced in line with current relevant legislation and by an appropriately qualified person if The Owner declines to use the service engineers recommended by The Agent. The Agent accepts no responsibility should any fault occur with The Property or any appliance(s) The Owner has left in The Property. The Owner authorises The Agent to carry out emergency repairs to The Property to a maximum of £200. This will be deducted from the following month's rent or invoiced directly to The Owner if appropriate. If the cost of the work exceeds the cost of one month's net rent, The Owner agrees to pay the excess up front. If this is beyond the means of The Owner, The Agent will pay for the work and charge interest of 5% on the cost of works. If The Owner fails to provide instructions on any problems reported by The Agent, The Owner further authorises The Agent to take whatever measures considered necessary by The Agent to resolve the said problem. It will only be considered that The Owner has failed to provide instructions after 7 days have elapsed following The Agent's request for instructions (except in the case of an emergency). The cost of The Agent's actions are to be the responsibility of The Owner.
- 22 By signing this contract The Owner warrants that The Property is made available in a good and lettable condition and that The Property, beds, sofas and all other soft furnishings conform to the current fire safety regulations. The Owner agrees to make The Agent aware of any ongoing maintenance problems. Any maintenance carried out by The Owner should be carried out diligently and at the earliest opportunity. Subject to a retained maximum expenditure limit (£200) on any single item of repair, and other requirements or limits specified by The Owner, The Agent will administer any miscellaneous maintenance that needs to be carried out on The Property (although the administration of major works of refurbishment such as underpinning of the property will incur an additional charge). It is agreed that in an emergency or for reasons of contractual necessity where reasonable endeavours have been made to contact The Owner, The Agent may exceed the limits specified. The Agent endeavours to select competent tradesmen at a reasonable price but is unable to personally guarantee the standard of workmanship, although The Owner retains the right to pursue any claim against tradesmen for substandard work. By law it is necessary to carry out an annual inspection and service for the central heating and any gas appliances. The Agent will cause these to be carried out on The Owner's behalf and expense and administer the necessary inspection and maintenance records.

**WARNING:** You should read and understand the following obligations before signing this agreement.

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 & Use) Regulations 1988
- Electrical Equipment (Safety) Regulations 1994
- Plugs and Sockets (Safety) Regulations 1994
- HMO licence (where applicable)

The Owner confirms that he is aware of these obligations and that The Agent has provided sufficient information to assist with compliance. It is agreed that The Owner shall ensure that The Property is made available for letting in a safe condition and in compliance with the above regulations. The Agent shall ensure that all equipment is checked at the beginning of the tenancy or during the tenancy as required. The Owner agrees to indemnify The Agent against any reasonable expenses or penalties that may be suffered as a result of non compliance of The Property to fire and appliance safety standards.

- 23 The Owner acknowledges that The Agent has explained the obligations of The Owner in regard to Furniture and Furnishings (Fire) (Safety) Regulations 1988 as amended and that The Owner agrees to remove any furniture that does not comply with these Regulations before the tenancy begins.
- 24 The owner is responsible to supply a full set of keys to each named tenant and additional set of keys for The Agent no later than 3 days prior to any tenancy commencing.
- 25 The owner is responsible for providing a telephone point and digital t.v. aerial within the property. There should be at least one of each. Sky & Virgin connections do not count as digital t.v. aerials.

#### **REFERENCE PROCEDURES**

- 26 The Agent will take appropriate references against prospective tenants. Referencing may be undertaken by a 3<sup>rd</sup> party company specialising in tenant assessment. All references and recommendations will be treated as accurate. If references are not available or unsatisfactory The Agent may proceed to offer a tenancy with or without a guarantor at The Owner's discretion.

#### **THE AGENTS LIMITS OF AUTHORITY IN MANAGING THE PROPERTY**

- 27 The Owner authorises The Agent to carry out the various duties of property management detailed in this agreement, including authority to sign tenancy agreements, swear any affidavits, or make any representations in maintaining or defending The Owner's interest in any proceedings. The Owner also agrees that The Agent may take and hold deposits on behalf of The Owner in a government approved tenancy protection scheme. It is declared that The Agent may earn and retain all fees and commissions on any insurance policies or other services provided to the applicant, tenant or The Owner.

#### **INTEREST**

- 28 In the event that any sums payable by you under this agreement are not paid on time, you agree to pay interest on all outstanding sums at the rate of 5% above the base rate for the time being of Natwest Bank plc.

#### **JOINT AND SEVERAL LIABILITY**

29 In the event that the property is being let by a limited company, the person signing this agreement on behalf of the limited company agrees to be jointly and severally liable with the limited company for all sums due to us under this agreement.

## **VARIATION**

30 It is agreed that this written agreement contains all the terms of the agreement between the parties and there are no oral terms. Any variation to this agreement must be in writing and signed by both parties.

## **COMPLAINTS PROCEDURE**

31 The Agent aims to provide the highest standard of service to all landlords and tenants, but to ensure that your interests are safeguarded, we offer the following:-

If you believe you have a grievance, please write in the first instance to Paul McCullough at 'Keywest Estate Agents Ltd, 73a Hinckley Road, Leicester LE3 0TD'.

The grievance will be acknowledged immediately, investigated thoroughly in accordance with 'in house' procedures and a reply sent to the complainant within seven working days of receipt of the letter.

## **MISCELLANEOUS CHARGES**

37 The terms and conditions shown above indicate all of the charges that will be made, with the exception of the following which will be charged by The Agent through deduction from moneys received or any other means of recovery from The Owner:-

- a) The cost of forwarding mail to countries outside of the British Isles which are not covered by the British Forces Postal System.
- b) The cost of representing The Owner at a court of law or solicitor's office, for which an hourly rate of £25 plus reasonable expenses may be charged.
- c) The cost of making telephone calls to countries outside of the British Isles.
- d) Any expenses incurred during the non-occupation of The Property in addition to the expenses incurred in occupation (for example, but not limited to, the draining of central heating system), will be recoverable by The Agent from The Owner.
- e) The cost of implementing any new legal requirements in relation to the ongoing management of The Property.
- f) Should the tenant wish to renew the tenancy agreement, and the terms are agreed with The Owner, an administration fee of £65.00 per tenancy will be charged to The Owner.
- g) The Owner is responsible for supply a full set of keys for each named tenant prior to the commencement of the tenancy. A set of the property's keys should also be made available by the Owner for the Agent. These keys should be provided to the Agent by the Owner no later than 3 days before the commencement of the tenancy. In the absence of keys being supplied, The Agent reserves the right to copy keys on The Owner's behalf. A charge of £25.00 will be made to the Owner on top of the cost of all necessary keys.

**IMPORTANT SUPPLEMENTARY INFORMATION. PLEASE FULLY COMPLETE BEFORE SIGNING THE STATEMENT BELOW:-**

**CIRCLE AS APPROPRIATE:**

**WILL YOU ACCEPT PETS:            YES    NO**

**WILL YOU ACCEPT SMOKERS:    YES    NO**

**IF YOU HAVE ANY FURTHER SPECIFICATIONS, PLEASE LIST THEM BELOW:**

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**ENERGY PERFORMANCE CERTIFICATES, GAS AND ELECTRICAL SAFETY CERTIFICATES**

Energy Performance Certificates (EPC's) **MUST** be instructed on or before 10 days of instruction. Failure to do so will result in properties being withdrawn from the market.

A valid Gas Safety Certificate and relevant Electrical Safety Certificates **MUST** be in place before the commencement and throughout the duration of every tenancy. Please circle 1) or 2) as appropriate.

- 1) The Owner instructs The Agent to arrange gas & electrical safety tests with immediate effect. Invoices for the work will be sent to The Owner for settlement within 28 days. Payment of the accounts will fall due regardless of whether the property is let or not.
  
- 2) The Owner will instruct appropriate and qualified tradesmen to arrange gas & electrical safety tests. The Owner agrees to deliver all gas & electrical safety tests to The Agent a minimum of 3 days in advance of the date of the commencement of a tenancy, or the due date of renewal. Should the Owner fail to do so, The Agent reserves the right to arrange gas & electrical safety certificates on behalf of The Owner. Invoices for the work will be sent to The Owner for settlement within 28 days or deducted from the first month's rent.

**IF YOU HAVE 24HOUR EMERGENCY REPAIR COVER PLEASE PROVIDE A COPY OF THE POLICY AND PROVIDE THE CONTACT TELEPHONE NUMBER FOR REPAIRS. PLEASE ALSO SPECIFY ANY FURTHER ALTERNATIVE OUT OF HOURS EMERGENCY TELEPHONE NUMBERS OR INSTRUCTIONS:**

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**BANK DETAILS**

Please indicate the account details where you would like rent to be paid.

BANK NAME .....

BANK ADDRESS .....

ACCOUNT NUMBER .....

SORT CODE .....

NAME OF ACCOUNT HOLDER(S) .....

**STATEMENT**

I confirm that I have read and understood the attached Terms and Conditions including the supplementary information (Landlords Pack). I hereby authorise The Agent to act on my behalf in the Letting and Management of The Property during the agreed letting period, to sign agreements, to collect rents where due on my behalf and to take all necessary actions on my behalf in the maintenance of The Property. I agree to pay by deduction from rental income, the Management and Miscellaneous fees (where appropriate) as set out in the Terms and Conditions of which I retain a copy, and to indemnify The Agent for all costs incurred on my behalf. I confirm that I am the legal owner of The Property.

**SIGNED: (ALL OWNERS TO SIGN)**.....

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**PRINT FULL NAMES OF ALL OWNERS:** .....

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**CORRESPONDENCE ADDRESS** .....

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**CONTACT TELEPHONE NUMBERS: HOME:** .....

**WORK:** .....

**MOBILE:** .....

**EMAIL ADDRESS**.....