

**LETSBY
AVENUE .CO.UK**

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TERMS AND CONDITIONS OF BUSINESS

LETTINGS

REVISED:

17/06/14

**RESIDENTIAL LETTINGS AND PROPERTY
MANAGEMENT 2014**

This document sets out the Standard Terms and Conditions under which Letsby Avenue Estate Agents will act, for clients, as agents in the Letting of residential property. Any variation must be agreed in writing.

1.0 INITIAL VISIT

Letsby Avenue will attend and inspect your property and advise you on the rent to be quoted and discuss the particular circumstances pertaining to the property and client. We will then market your property as appropriate at the agreed rental.

2.0 MARKETING

Particulars will be prepared and details of your property will be included in our list of *Residential Lettings*, This list is widely circulated to *suitable* applicants. In addition, we will advertise your property as appropriate in various property papers, and arrange for a *To Let* Board to be erected (after authorisation from the landlord). Letsby Avenue will also register your property on our Internet Website which is also linked with all major on-line directories and internet search engines.

3.0 VIEWINGS

Appointments will be made for prospective tenants to view your property. *Letsby Avenue* will either accompany these people to your property with keys provided by you, or arrange to meet you there. On receiving an offer, *Letsby Avenue* will take a small deposit; usually one hundred pounds, or the full Bond deposit and notify the landlord or his/her representative and negotiate the terms of the Tenancy.

4.0 REFERENCES

Letsby Avenue will take up references via a Credit Reference Agency whom which will normally encompass enquiries of the prospective Tenants Bank, Employer and, where applicable, previous Landlord or Personal Referee. If the proposed Tenant(s) is self-employed/student, Letsby Avenue will endeavour to seek alternative references from either their Solicitor or Accountant/Guarantors respectively. Copies of the replies will be made available to you. Your instructions will be sought as to whether we *Letsby Avenue* may proceed with the Letting. In the event that you or your representative is un-contactable *Letsby Avenue* will have the right to decide on your behalf whether the references are acceptable but, *Letsby Avenue* will not accept any responsibility for their accuracy or the information contained in the references.

5.0 TENANCY AGREEMENT

Letsby Avenue will prepare the appropriate Tenancy Agreement, which would normally be either our standard Assured Shorthold Tenancy under the 1996 Housing Act or Company Tenancy Agreement. There is no longer a minimum period for such lettings but it may not be possible to guarantee recovery or possession until after six months have elapsed should the tenant oppose any notice requiring possession. Where relevant, the necessary notices will be served on the Tenant. Whilst every care is taken in the preparation of such Agreements, *Letsby Avenue* would recommend that you seek your Solicitors advice as to whether the proposed Agreement is appropriate and applicable to your particular circumstances. Should you wish to use an agreement drafted by your solicitor, please supply a draft at least two weeks before the tenancy is due to commence. Please note that where the Tenancy has a rent payable over £25,000.00 per annum, or at a proportionate level for a shorter term, the Tenancy cannot be an Assured Shorthold Tenancy and you should seek the advice of your solicitor.

6.0 PRIOR TO LETTING

You must ensure that the property is fit to be let. By law all machines, gas appliances and electrical goods should be in full working order, should have been recently serviced, checked for safety and have clear instructions for use. Properties should be thoroughly cleaned and gardens, if applicable, should be in good seasonal condition, details of which should be shown on the inventory.

7.0 INVENTORIES

An Inventory is essential in all cases to avoid difficulties arising from damage claims. Inventories should where applicable also show that all furnishings, soft furnishings and all electrical equipment comply with current legislations. *Letsby Avenue* do not employ Inventory Clerks; however we do complete an inventory prior to the commencement of any tenancy, *Letsby Avenue* can provide a list of established firms for you to instruct with their fees being your responsibility if you so wish. *Letsby Avenue* cannot accept responsibility for errors or omissions by a third party Inventory Clerk.

8.0 UTILITIES

The incumbent tenant will be instructed, and required, to apply to the Electricity, Gas, Water and Telephone Companies for a credit agreement and supply contract. *Letsby Avenue* will need to notify the above companies at the commencement of the Tenancy to ensure that there are no discrepancies with the change over.

9.0 DEPOSITS

At the commencement of the Tenancy we will collect the deposit as set out in the Tenancy Agreement, together with the initial rent that is payable. The deposit will be transferred to a government backed tenancy deposit scheme as required by law.

10.0 COMMISSIONS/CHARGES

Letsby Avenue Full Management fees for the above service are based on 10% of the monthly rent, subject to a minimum term of 12 months on our fully managed service. *Letsby Avenue* will not charge any annual renewal fees or initial contract fees however should you wish to leave our fully managed service within 12 months, a £200 penalty fee would be incurred. If you are not happy with our service and a formal complaint is made to the management, and upheld, no penalty fees will be payable. Commission is deducted from the first month's rent and every month thereafter, starting at the commencement of the tenancy.

Let Only fees will be £200 per occupied premises and will include all of the prescribed subsections herein apart from those that specifically refer to the fully managed terms.

13.0 GENERAL TERMS & CONDITIONS

13.1 CONSENT FOR LETTING

Section 1 of the Accommodation Agencies Act 1953 prohibits *Letsby Avenue* from issuing: "any advertisement, list or other document describing any house (or flat) as being to let without the authority of the owner of the house (or flat)."

This means that unless you have the power to grant a lease on the property we will be unable to accept your instructions. It is your responsibility to satisfy *Letsby Avenue* that you have the power to grant a lease of the property or that you have the authority of the person who has that power. *Letsby Avenue* have the right to carry out whatever investigation of your power that we consider necessary and to charge the cost of such investigation to you (in addition to our letting Fee). By signing these Terms and Conditions you warrant that you are the owner of the property within the meaning of the Accommodation Agencies Act 1953.

13.2 LEASEHOLD PROPERTY

If the property to be let is leasehold, it is the Landlord responsibility to ensure that:

Any intended letting is permitted by the terms of the lease

Any tenancy is for a period expiring prior to the termination of the lease

The written permission of your Superior Landlord is obtained and Licence to Sub-underlet is granted if necessary.

13.3 MORTGAGED PROPERTIES

If the property to be let is subject to a mortgage or loan, it is the Landlord responsibility to ensure that written permission is obtained from the Mortgagee or Lender. It should be noted that the Mortgagee or Lender will usually have power to terminate the letting if mortgage or loan repayments or any other requirements of the mortgage or loan are not met.

13.4 JOINT OWNERS

Authority to let the property should be obtained from any joint owner who should be named on the Tenancy Agreement.

13.5 RENT

Unless otherwise agreed, the rent quoted will include those payments for which you are liable as Landlord, such as Ground Rent, Service Charge etc, but will exclude those payments for which the tenant is, in most circumstances, liable, e.g. gas, electricity, water rates, council tax or any charge which may replace it.

13.6 DAMAGES AND REIMBURSEMENT OF DEPOSIT

Unless otherwise agreed the deposit will normally be a sum equivalent to 4/6 weeks rent. Where *Letsby Avenue* are providing our letting service only, *Letsby Avenue* will pay the deposit into a government backed scheme but will not become involved in any way in the agreement of damage and reimbursement charges from the deposit, which must be negotiated directly between the Landlord and Tenant.

13.7 MAIL

Letsby Avenue cannot collect and redirect mail for clients and it is therefore recommended that the re-direction service be set up through the Post Office. *Letsby Avenue* recommend that this is applied for six weeks before vacating the property. In the event that mail is forwarded to the landlord by *Letsby Avenue*, any postal charges incurred will be passed on at the appropriate rates.

13.8 INSURANCE

The property and its contents must be comprehensively insured to include third party and occupiers' liability risks. Failing to inform your insurer that the property is let could render the policy void. You should obtain detailed advice from your insurers as to the nature and extent of the insurance cover required. You must also inform your Insurance Company whenever the property is to remain vacant for a period of 28 days or more. *Letsby Avenue* are not responsible for arranging your Insurance cover; however we do have reliable sources from which insurances can be obtained.

13.9 RENT ARREARS/BREACHES OF COVENANT

It is your responsibility to take all necessary steps to ensure that actions are taken to protect your interests including instructing solicitors and commencing legal proceedings to reserve your rights to recover arrears of rent and to defend all actions or other legal proceedings and arbitrations that may be brought against you in connection of the property. *Letsby Avenue* reserves the right to settle any such matter on such terms as we see fit. All costs incurred including legal costs and disbursements will be payable by you.

13.10 TAXATION

Income from letting UK property is subject to UK Income Tax, even if the Landlord is resident abroad, where the non-resident landlord is an individual, an overseas registered company, or an overseas resident trust. Non-resident landlords can apply directly (or through their accountant) to the Inland Revenue for exemption from deduction of tax at source from rental income. If the Inland Revenue grants approval, your tenant will be entitled to pay over rent without making tax deductions, effective from the date of approval. If you are a non-resident landlord who has not been granted such exemption, then your tenant must pay the Inland Revenue the basic rate of Income Tax, which may be subject to variation of net rentals.

13.11 KEYS

Letsby Avenue ask for as many complete sets of keys for your property as there are tenants: if however you are unable to supply complete sets we will have them cut at your expense. *Letsby Avenue* recommend that if there are any lost or unaccounted keys to your property, locks being changed before a tenancy commences. *Letsby Avenue* cannot be held liable for lost or unaccounted keys unless lost by *Letsby Avenue*.

13.12 FURNITURE AND FURNISHINGS (FIRE) (SAFETY) REGULATIONS 1988

Complex legislation has now been implemented, in respect of the supply of furnishings in property that is available for letting. With effect from the 1st March 1993, it is an offence, punishable by a fine and/or prison term, to supply furniture that does not comply with the fire resistance regulations. Essentially, this means that any furniture provided by the Landlord or the Agent in the course of business from the 1st March 1993, must carry appropriate labels and meet the fire resistance regulations. You are advised to take your own professional advice with regards to this matter.

13.13 GAS SAFETY (INSTALLATION AND USE) REGULATIONS 1994

With effect from the 1st November 1994, legislation was implemented relating to gas safety issues – Statutory Instrument 1886 of 1994 Health and Safety – Gas Safety – Installation Advice, whereby all gas appliances and installations must be checked annually and a report issued confirming that a check has been carried out. Under this legislation, the safety check can only be carried out by an approved person whom is GAS SAFE registered.

Under the gas regulations all Agents, whether managing the property or not, are responsible for holding on file a certificate issued by suitably qualified GAS SAFE registered person confirming that the supply and appliances comply with the regulations. On receiving instructions to let a property, we would require a Landlord Gas Safety Certificate for our files, with a further copy provided for the tenant. In the event that we are not issued with a certificate we will, once a tenant is found through ourselves arrange for a gas safety inspection. All costs incurred will be payable by you.

13.14 SMOKE DETECTORS (1991)

The Department of Environment issued new regulations, which require any new building built after June 1992, to have smoke detectors installed. If your property was built after this date, mains operated smoke detectors must be fitted on each floor.

13.15 ELECTRICAL EQUIPMENT (SAFETY) REGULATIONS 1994

As a Landlord, you will be responsible for ensuring that all Electrical installations and appliances within the property comply with the above regulations. In addition, you are responsible for providing instructions for all items of electrical equipment for your tenant. On receiving instructions to let a property, *Letsby Avenue* would require a Potable Appliance Test (PAT) Certificate for our files. In the event that we are not issued with a certificate we will, once a tenant is found through ourselves arrange for a PAT. All costs incurred will be payable by you.

13.16 SECTION 46 CONSUMER PROTECTION ACT 1994

It is an offence to let a property with a cooker that is damaged in any way. Your tenant has the right to see documented proof of your compliance with these regulations.

13.17 LANDLORD AND TENANT ACT 1987

Section 48 of this Act stipulates that the Tenant should be provided with an address within England or Wales at which the Tenant may serve notices upon their Landlord. The Tenant must be provided with: The name and address of the Landlord, should the Landlord reside outside England and Wales, an address in England or Wales where notices can be service. *Letsby Avenue* will require the above information before a tenancy commences. If the information first provided changes during the tenancy *Letsby Avenue* must be informed immediately.

13.18 ADVERTISING

Letsby Avenue commissions, fees and charges specified in these Terms & Conditions include any expenses *Letsby Avenue* may decide to incur in photographing and/or advertising your property unless otherwise agreed with you in advance in respect of advertising in certain specialist publications. In such cases, if the property is withdrawn from the letting market, if instructions are withdrawn or if the property is let otherwise than through *Letsby Avenue* reserve the right to seek reimbursement of previously agreed expenses up to a maximum of £200.00, unless *Letsby Avenue* have previously received your authority to exceed this sum.

Letsby Avenue shall erect an advertising board upon instruction unless local authority/conservation area restrictions apply. Legally only one board per property is normally permitted. The Landlord agrees to notify *Letsby Avenue* immediately if another board is displayed or erected.

13.19 WARRANTIES

By accepting these terms and Conditions your warrant that all regulations referred to and set out in clauses 13.12, 13.13, 13.14, 13.15 and 13.16 of the General terms and Conditions have, or will be complied with, been complied with.

13.20 SALE OF PROPERTY

In the event that a sale or acquisition of an interest in the property (whether by transfer to the Landlord interest in the property or the granting of a lease) should be agreed with the tenant, any associated party, or any person introduced at any time by *Letsby Avenue*, leading to an exchange of contracts, *Letsby Avenue* will be entitled to commission on the sale at a rate of 0.75%, of the sale price. The commission will become due upon exchange of contracts, but *Letsby Avenue* will defer payment until the date of completion of sale. In the event that the sale of, or acquisition of an interest in the property, should be agreed with a third party, and the tenancy is to continue, then your liability to pay letting and management commissions continues unless the purchaser enters into an agreement with *Letsby Avenue* in the same terms as your own, and *Letsby Avenue* agrees to enter into such agreement. *Letsby Avenue* reserve the right to refuse to enter to such agreement.

13.21 LIABILITY OF A LANDLORD TO COMMISSIONS, FEES AND CHARGES

Commission and other charges are due and payable by the Landlord in accordance with 10.0 on any letting of a property to a tenant and reference to the tenant includes:

Any associate of the tenant as defined in Section 303(3) of the Income and Corporation Taxes Act 1970.

Any close company as defined in Section 282 of the Act in which that person or any associate as defined is a participator, as defined in Section 303(1) of the Act.

Any company (or any connected person or entity of that company) which shall be the employer, former employer, guarantor or formal or proposed guarantor of that person.

Where the tenant is a company, any person employed by the company or for whom the company is or has become or proposes to become guarantor and includes any company which is a holding company of the company or subsidiary company of the company or a member of the same group, as defined in Section 272 of the Act, as the company.

Any person or entity introduced by the tenant or the occupier of the property.

Any person who shall be introduced to the Landlord as a tenant by *Letsby Avenue* who subsequently lets any property from the Landlord, whether or not *Letsby Avenue* have been instructed to let that property.

13.22 INDEMNITY OF AGENT

You will indemnify and keep *Letsby Avenue* indemnified from and against any damage or liability whether criminal or civil suffered from and during the time that *Letsby Avenue* are or were acting on your behalf.

13.23 INSTRUCTION OF AGENT

Upon receipt of these Terms & Conditions duly signed by you, or your authorised representatives, shall be deemed to be irrevocably instructed on your behalf as your agent with your full authority to sign or execute, on your behalf, all documents necessary to carry out the effective letting of your property on the terms previously notified to you and, in the event of your being unobtainable, upon terms consider to be reasonably accepted by you.

13.24 INTEREST ON CLIENTS MONEY

Interest acquired from money held on behalf of a client will not be payable to a client unless it exceeds £20.00 and in those circumstances, only at the request of the client.

13.25 VARIATIONS AND JURISDICTION

Variations to the *Letsby Avenue* Terms and Conditions of Business will only be valid if agreed in writing by *Letsby Avenue*. Acceptance of *Letsby Avenue* Terms and Conditions of Business is a binding legal agreement in accordance with English Law and is subject to the jurisdiction of the English Courts.

NB: VAT AT THE GOVERNING RATE OF 20% WILL NOT BE CHARGED BY LETSBY AVENUE (BIG SAVING FOR LANDLORDS)

I/We (*delete as appropriate*) have read, understood and agree with these Terms & Conditions of Business and I/We instruct Letsby Avenue to act on my/our behalf for the purpose of letting my/our property at:

Address of Property:..... Postcode:.....

Signed (owner/authorised representative):

Name:..... Date:.....