



## Terms of Business and Agency Agreement for Rental Properties

This agreement is made between the Landlord/Owner of the property (Named at the end of this agreement) and Andrew J Nowell & Company Ltd, who agree to act as agent for the named 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 service(s) offered and the scale of fee's charged.

### Client Details

Full name(s) Title \_\_\_\_\_ Name \_\_\_\_\_ Surname \_\_\_\_\_

Title \_\_\_\_\_ Name \_\_\_\_\_ Surname \_\_\_\_\_

I/we can confirm Sole/Joint Ownership (Delete appropriately).

Address for Future Correspondance: \_\_\_\_\_

Postcode \_\_\_\_\_

Home Telephone Number: \_\_\_\_\_ Work Telephone Number(s): \_\_\_\_\_

Mobile: \_\_\_\_\_ Email address(s) \_\_\_\_\_

Bank account details for the payment of rent:

Name of Bank/Address: \_\_\_\_\_

Account Name: \_\_\_\_\_ Account number: \_\_\_\_\_ Sort Code: \_\_\_\_\_

### Property Details

Address of property to let: \_\_\_\_\_

Postcode \_\_\_\_\_

Availability date of the property: \_\_\_\_\_

Preferred duration of tenancy if any (Short term/Long term): \_\_\_\_\_

Property to be let: Unfurnished  Part Furnished  Fully furnished  Flexible

Access/viewing arrangement? (Agent/Landlord/Access through tenant): Other \_\_\_\_\_

Will the agent be provided with keys? Yes  No  Alarm codes/location: \_\_\_\_\_

Additional Information: \_\_\_\_\_

Tenancy restrictions: Pets  Children  Smokers  Other(Specify) \_\_\_\_\_

Council Tax Band/Cost: \_\_\_\_\_

**Utility Suppliers and Meter Location**

Electricity Supplier- \_\_\_\_\_ Contact number - \_\_\_\_\_ Meter Location - \_\_\_\_\_

Gas/Oil Supplier - \_\_\_\_\_ Contact number - \_\_\_\_\_ Meter Location - \_\_\_\_\_

Water Supplier- \_\_\_\_\_ Meter Location/Rates - \_\_\_\_\_

Landline number - \_\_\_\_\_ Internet/phoneline provider- \_\_\_\_\_

Landlords insurance provider/policy number if known: \_\_\_\_\_

Do you have consent to rent the property from the Mortgage provider/Freeholder/Leaseholder? Yes  No

If 'no' please provide further information: \_\_\_\_\_

Does the property hold a valid EPC/Electrical Certificate/Gas Certificate? These are required prior to the beginning of a tenancy. If not, please specify which are required:

EPC  Gas Certificate (renewal required every 12 months)  Electrical Certificate

**Fee Structure**

- a. **LET ONLY FEE** – *One Month's rent +VAT* to be deducted from the first monthly rental payment.
- b. **MANAGED SERVICE** – *One Month's rent +VAT* to be deducted from the first monthly rental payment, and a management fee of 10% of the monthly rental value to be deducted from *every month's* rental payment.

I/We, the landlord(s) agree for the property to be marketed at: \_\_\_\_\_PCM

**LET ONLY FEE**

I/We appoint Andrew J Nowell & Company to let the above property as stated in the Terms of Business. I/We understand that as landlords, I/we are responsible under the LET ONLY SERVICE for the collection of rent and management/repair of the property.

**LETTING AND MANAGEMENT FEE**

I/We appoint Andrew J Nowell & Company to let, collect, and remit all rent and to manage the above property as stated in their Terms of Business. I/We authorise the agent to carry out all repairs that that may affect the property including safety, security and compliance with the statutory notices and regulations upto an amount of agreed float without prior reference to me/us. I/We indemnify Andrew J Nowell for all costs relating to such emergency repairs as may in their absolute discretion need to be carried out.

**In addition to the options outlined above, the following fees may be charged - \*NB Andrew J Nowell Limited require cleared funds prior to the arrangement of the below**

Check out inventory/Schedule of condition at the end of a tenancy ( <i>Not included in a let only service</i> ).	<b>£100</b>
Arrange for Energy Performance Certificate (EPC).	<b>£80</b>
Gas or Electrical Certificate (Costings vary dependant on the size of the property).	<b>TBA</b>
Minimum total management fee (In the case of early termination by the tenant or landlord).	<b>£300</b>
Where, with the consent of the landlord, the tenancy is renewed or extended to the same tenant (Or any other person associated with the tenant) originally introduced by the agent, the agent shall prepare the tenancy agreement for a renewal fee payable prior to the preparation of the agreement. This includes the confirmation that the original tenant application information is still valid.	<b>£150</b>

Administration charge for the co-ordination of maintenance of contractors where the property is not managed.	<b>15% of the cost of the work</b>
--	------------------------------------

### Let Only Service

- Advise upon the likely rental income, furnishings and related matters.
- Advise on Health and Safety and other legislative matters.
- Marketing of the property i.e. Advertising within the Andrew J Nowell & Company website and lettings list, Website portals, Rightmove and a 'To Let' board situated at the property (where possible).
- Accompanied viewings.
- Tenant referencing and credit checks.
- Preparation of Check in Inventory/Schedule of condition.
- Preparation of appropriate Tenancy Agreement in accordance with the relevant Housing and Rent Acts.
- Liaising with a Landlords mortgagee(s) where necessary with regard to references and Tenancy Agreements.
- Collecting of the first month's rent and deposit, deduction of Letting's fee and any other agreed fees incurred and transfer of the remainder to the Landlord together with a detailed rent statement.
- Meter readings and referral to utility companies where required by the landlord.
- Holding of the deposit and registering within a 'Tenancy Deposit Protection Scheme', as required by the Housing Act 2004.
- The return of the deposit to the tenant at the end of the tenancy, subject to any deductions and arrangement for the balance to be returned to the Landlord.

### Letting and Management Service

- All items included in the 'Let Only Service'.
- Retention of the pre agreed 'Float'.
- Monthly collection of rent and statement of account(s).
- Quarterly property inspection to ensure that the condition of the property is being maintained satisfactorily. (\*NB Responsibility for and the management of an empty property is not included, and will only be carried out through special arrangement with the agent.
- Co-ordination of any maintenance work that requires attention on a routine or emergency basis and settling the account from the 'Float' or pre agreed monies received from the Landlord.
- Arrangement of any statutory testing that is required e.g. Electrical Inspections, Gas Safety Certificates & Energy Performance Certificate.

- Preparation of Check out Inventory/Schedule of condition.

### **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 Mortgage" or the "Head Lease". Where necessary, the landlord confirms that permission to let has been granted by the mortgage provider. The landlord authorises the agent to carry out the various duties of property management as detailed above. The landlord also agrees the the Agent may earn and retain commissions on insurance policies issued.

### **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 Agents normal duties. To assist the Agent in carrying out his duties effectively, the landlord agrees to respond promptly with instructions where necessary in any correspondence or requests from the Agent.

### **OPTION A – LET ONLY**

Where the Landlord does not wish the Agent to undertake full management, the Agent can provide a Letting Service as detailed above. The fee's are payable at the commencement of the tenancy and will be deducted from the monies received by the Agent on the Landlord's behalf. If the tenant leaves prior to the end of the term of the tenancy, through no fault of the agent, the landlord shall not be entitled to reimbursement of any fee's paid.

### **MAINTAINANCE**

For maintenance of properties we use local companies at competitive rates. Normally, unless agreed with the landlord, we will arrange for any repairs up to the value of the 'Float' to be carried out. For expenditure in excess of this, the Agent would normally request authorisation in advance, although it is agreed that in an emergency

or for reasons of contractual necessity where reasonable attempts have been made to contact the landlord, the Agent may reasonably exceed the limits specified.

### **CONDITION OF PROPERTY**

The Landlord agrees to provide the letting property in good condition and in accordance with the Housing Act 2004 in relation to Fitness Standards for Dwellings. A property offered in good condition will not only provide a better rental return but may also be well maintained by the Tenants.

### **TAXATION**

Under the self-assessment tax system an annual tax return must be completed by landlords, detailing income from the letting of any property. There are certain expenses, which can be offset against rental income:

- Insurance premiums for the rental property (Buildings and contents).
- Costs for repairs and general maintenance of the property.
- Mortgage Interest Relief.
- Wear and Tear – The Inland Revenue will normally allow an amount of 10% for wear and tear to be deducted from the gross income for furnished properties.
- Any legal or professional fees.

When letting property and collecting rents for Landlords overseas, the Agent is obliged by the Taxes Management Act (TMA) 1970 and the Taxation of Income from Land (non-residents) Regulations 1995 to deduct tax (at the basic tax rate) to cover any tax liability, unless the landlord has been issued a tax exemption certificate by Inland Revenue to receive rent gross. The Agent must be given a copy of the certificate.

**The above is a guide only and full advice must be sought from an accountant.**

### **COUNCIL TAX**

Payment of Council Tax will normally be the responsibility of the tenants in the property. Landlords however 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.

### **SERVICES**

The agent will take meter readings whenever possible at each change of occupation at the property and the landlord should inform the service companies (Electricity, gas & water) of these readings and change of occupation. In many cases (e.g. BT) the service companies require that the new occupiers formally request and authorise for the service and it is not possible for the Agent to do this on the tenants or the landlords behalf. In relation to mail, landlords should take care to inform all parties (e.g. banks, clubs, societies ect) of their new address; it is not always possible to rely on tenants to forward mail.

### **INVENTORY**

The standard inventory (if required) will include all removable items in the property (Except those of negligible value) plus carpets, paintwork, wall coverings, curtains, mirrors, sanitary ware and other articles that, in the opinion of the Agent, need regular checking. Landlords should not leave any articles of exceptional value in the property without prior arrangement with the agent.

### **INSPECTIONS**

Where a property is managed under "Option B" above, the Agent will carry out quarterly inspections. 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. house 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). Where these are felt to be unsatisfactory, a more detailed inspection would generally be made. Under "Option B" above, following the departure of the tenants, the Agent carries out a final inspection of the property. Testing of all of the electrical appliances, heating system and plumbing is not feasible during this inspection; a qualified contractor should be appointed for this purpose should the landlord require it. Any deficiencies or dilapidations would normally be reported to the landlord together with any deductions or replacement values.

### **DEPOSITS**

Under "Option A" and "B" above, 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 dilapidations deposit is to protect the landlord against loss of rent or damage to the property during the tenancy itself. These deposits will be registered with an appropriate Tenancy Deposit Protection Scheme in accordance with the Housing Act

2004, ready for refund (less any charges due) at the end of the tenancy.

## **TERMINATION**

Under option B above, this agreement may be terminated by either party by way of two months written notice. The minimum management fee applied if on the termination, the total fees due are less than the "Minimum Management Fee". Where cancellation of this agreement is 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. 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 the legal minimum notice period to tenants under Assured Shorthold 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.

## **SAFETY REGULATIONS**

**WARNING: You should read and understand these obligations before signing the terms of business.**

The letting of the property is 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 1998.
- Gas Safety (Installation and Use) Regulations 1998.
- Electrical Equipment (Safety) Regulations 1994.
- Plugs and Sockets (Safety) regulations 1994.

The landlord confirms that they are aware of these obligations and that the Agent has provided sufficient information to assist with compliance. 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 necessary regulations. Whilst the Agent shall take all reasonable steps to audit that relevant equipment is checked at the beginning of the tenancy or during the tenancy as required, this does not

relieve the landlord of his/her legal responsibilities and the landlord agrees to indemnify the Agent for any expenses or costs incurred as a result of non-compliance of the property to fire and appliance safety standards.

## **INSTRUCTIONS**

It is agreed that all significant instructions to the Agent from the Landlord be confirmed in writing.

## **INSURANCES**

Although the aim is to take every care in managing the property, the Agent cannot accept responsibility for non-payment of rent, damage or other default by tenants. Nor any associated legal costs incurred in the collection of rent when the Agent has acted correctly in terms of this agreement, or on the Landlords instructions. A 'Rent Guarantee' insurance policy is recommended for this eventuality. Cost for this are available upon request.

The Landlord shall be responsible for the property and contents 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 under the period of management (Option B).

## **HOUSING BENEFIT**

The landlord fully indemnifies the Agent for any claims or losses 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 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.

## **LEGAL PROCEEDINGS**

Under 'Option B' above, the Agent will act upon any delays of payment or other defaults in the first instance. Where 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 would then be appointed and instructed by the Landlord (except where the Agent is unable, after taking reasonable efforts to contact the Landlord, or in the event that the Agent is authorised to instruct a solicitor on the Landlords behalf). The Landlord is responsible for payment of all legal fee's.

## **SALE OF THE PROPERTY**

**Where the Agent introduces a tenant who then proceeds to purchase the Property, a fee of 1.5% of the total purchase price will be payable to the Agent.**

**ACCEPTANCE AND VARIATION**

The Terms & Conditions of this agreement may be varied by either party, but only with prior notice. I/We accept these Terms of Business and instruct the Agent to undertake the service as indicated below:

Option A – LET ONLY .....

Option B – LET & FULL MANAGEMENT .....

I/We also confirm that we are the sole/joint owners of the Property known as:

---

In order to comply with the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007, we require you to provide the Agent with one copy of identification and one copy of proof of residence.

IMPORTANT NOTICE: Clients should carefully read and understand the above Terms of Business before signing.

**(IF THE PROPERTY IS JOINTLY OWNED ALL PARTIES SHOULD SIGN)**

Signed- \_\_\_\_\_

Date- \_\_\_\_\_

Landlords Full Name(s): \_\_\_\_\_  
\_\_\_\_\_

Signed on behalf of the Agent: \_\_\_\_\_

Date- \_\_\_\_\_