

TERMS OF BUSINESS & AGENCY AGREEMENT

LETTING AND FULL MANAGEMENT

This Agreement is made between the Owner/s of the property as named at the end of this Agreement, hereinafter called "The Owner", and the Agency named above acting as Agent for the Owner, and hereinafter called "The Agent".

A. THE SERVICE

- 1) Providing a **rental valuation** of the property, and offering advice as required.
- 2) **Advertising** as necessary, selecting tenants, arranging/carrying out viewings, obtaining references, dealing with negotiations.
- 3) Preparing and signing as Agent for The Owner a suitable **tenancy agreement** in accordance with current law.
- 4) Preparing an **inventory** and schedule of condition at the charge shown overleaf.
- 5) Advising on and assisting in the transfer of **utility service** accounts.
- 6) Collecting and holding as stakeholder a **security deposit** usually equivalent to six weeks rental.
- 7) Receiving ongoing **rental payments**, preparing and forwarding to The Owner and/or their accountant financial statements on a monthly basis, and remitting the balance of rental payments within one month of the due date, provided the same shall have actually been received.
- 8) Making payment of certain **regular outgoings** provided The Agent has agreed to do so separately in writing and that sufficient funds are held in credit by virtue of paragraph 7 above.
- 9) Advising on and ensuring compliance with the Gas Safety (Installation and Use) Regulations 1998 with regard to the inspection, maintenance, and keeping of records in respect of **gas appliances in tenanted premises**, The Owner being responsible for all costs involved.
- 10) Advising on and ensuring compliance with the Furniture and Furnishings (Fire) (Safety) Regulations 1988 (amended 1989, 1993 & 1996) with regard to **minimum fire resistant standards** of specified items supplied in the course of letting property, The Owner being responsible for all costs involved.
- 11) Advising on and ensuring compliance with the Electrical Equipment (Safety) Regulations 1994 and other relevant legislation with regard to the **condition and safety of electrical equipment and appliances** in tenanted premises, The Owner being responsible for all costs involved.
- 12) **Inspecting** the property periodically to ensure compliance with the terms of the tenancy agreement.
- 13) Arranging any **repairs, maintenance or replacements** to the property or contents which come to or are brought to The Agent's notice and which The Agent considers necessary, up to an estimated cost of £150 for any one item or job, The Owner being responsible for the cost involved. Where the estimated cost exceeds £150, notifying The Owner or their nominated representative who will be responsible for arranging and paying for such work or replacement.
- 14) Dealing with any necessary **insurance claim** on The Owner's behalf, at a charge equivalent to 10% of the value claimed.
- 15) Taking appropriate initial action in the event of **rent arrears or any other breach of condition** of the agreement in an effort to remedy the situation. Where such arrears or breach persists, informing The Owner or The Owner's nominated representative who will be responsible for taking any further action and meeting any costs involved.
- 16) Liaising with the tenant on a routine basis, arranging **renewals** of the agreement or **check-outs, re-advertising** and **re-letting** to new tenants as appropriate.

B. NOTES AND GENERAL TERMS

- 1) If a mortgage exists on the property, The Owner must obtain the lender's consent to let.
- 2) If The Owner is a **leaseholder** the terms of the lease must be checked and any necessary consent obtained to let.
- 3) The Owner must ensure that adequate cover exists under both **building and contents insurance**, and must inform the insurers that the property is to be let.
- 4) The Agent's Service **does not include** supervision of the property whilst unoccupied although visits may be made by staff in the process of re-letting.
- 5) The Owner **hereby agrees to ratify** all lawful actions taken by The Agent under this Agreement.
- 6) **It is hereby agreed** that The Agent may deduct from rental received all fees commissions charges and expenses payable or reimbursable to The Agent under the terms of this Agreement.
- 7) The Agent will not accept responsibility for **frost or cold weather damage to water systems** or subsequent damage caused thereby at any time, and The Owner should therefore ensure that such risks are covered by insurance. It is recommended that adequate arrangements are made with a third party to protect water systems from cold weather.
- 8) Where The Owner is resident in the UK **income tax** on rental from property is entirely The Owner's responsibility. However where The Owner is deemed to be resident overseas, unless exemption has been agreed, The Agent must deduct tax from rental received and forward the same to the Inland Revenue.
- 9) Whilst The Agent shall use their best commercial judgement in the selection of tenants and the execution of their Service hereunder, The Agent **shall not under any circumstances be liable** for non-payment of rent or any other outcome of the tenancy or for any legal costs resulting there from. Insurance policies are recommended to cover such risks.
- 10) **This Agreement will remain in force** until terminated by service of three months' written notice by one party on the other provided that The Agent may terminate this Agreement forthwith and without service of notice in the event of any action or omission by The Owner or The Owner's representative which frustrates the continued performance of The Agent's Service hereunder.

C. FEES

- (a) Management Commission equivalent to _____% of rental received.
- (b) In the event of a tenant or prospective tenant introduced by The Agent completing the purchase of the property at any time, a commission will be payable by The Owner to The Agent equivalent to _____% of the selling price.

N.B. All fees are subject to VAT

I/we* confirm that I/we* have read this Agreement and wish to appoint The Agent to act on my/our* behalf in accordance with the Service, Notes & General Terms and Fees as herein laid out. I/we* further confirm that I am/we are* the sole owner/joint owners* of the property.

Full address of property to be Let and Managed:

Signed:

Print Name/s: Date:

(IF PROPERTY IS JOINTLY OWNED ALL PARTIES SHOULD SIGN)

Signed by or on behalf of Agent: Date:

* Delete as applicable
(Agmt L&M P2)