



# Residential Sales & Letting Agents

## TERMS OF BUSINESS – EFFECTIVE NOVEMBER 2014

Property Address:	
	Post code
Landlord(s) Full Name(s)	
Correspondence address	
	Post code
Telephone No's:	
Fax No:	
E-Mail Address:	

**REFERENCES** are always available for inspection by the Landlord prior to the signing of the Tenancy Agreement. Ultimately the Landlord must satisfy him/herself as to the suitability of any Tenant introduced.

**PERMISSION TO LET:** Landlords are to obtain written permission to let the property from their Mortgagee, Freeholder and Insurers. Where the property is subject to a superior lease containing certain restrictive covenants, it is the Landlords responsibility to inform us of the existence of those restrictive covenants and to supply a copy of the said superior lease. If you fail to provide a copy of the superior lease we do not accept any liability if you are in breach of your obligations under it because of the Tenants actions.

**CLEARED FUNDS:** We reserve the right not to instruct any contractor until in receipt of cleared funds.

**INCLUDED IN THE TENANCY:** Please advise us in writing which items of furniture and electrical goods etc. belong to you and are to be included in the Tenancy. Without this we can accept no responsibility for any errors.

**SELLING THE PROPERTY:** We also sell property and offer existing clients preferential sole agency rates. In the event of the Tenant or any other person (associate, nominee or relative) of the Tenant introduced to you by us or the Tenant and whether in the capacity of potential purchaser, Tenant or Licensee, exchanges contracts to purchase the Property, you shall pay to us a commission of 2% plus VAT of the purchase price upon exchange of contracts.

If you ask us to negotiate with the Tenant early termination of the Tenancy because you wish to sell, you will be liable for our Lettings Commission Fees until the end of the initial Tenancy term.

In the event that you sell or pass on the title of a property which is subject to a Tenancy arranged by us and which is to continue, our Rent Commission remains payable to us for however long the same Tenancy lasts irrespective of by whom any extensions are negotiated. In your own interests you must therefore ensure that the purchaser agrees to pay any commission due to us after completion of the sale by obtaining the purchasers written agreement to be bound by our Terms and Conditions at exchange of contracts. A copy of our Terms of Business will be provided to your solicitor for this purpose on request. Please note should the purchaser fail to pay our Rental Commission you will be liable to pay it even though you no longer receive the rent.

**MAIL:** It is not a part of Sovereign House's normal function to forward the Landlords mail. No responsibility can be taken for mail sent to the Landlord at the property. We recommend that the landlord arranges redirection with Royal Mail.

**SIGNING OF THE TENANCY AGREEMENT:** The Landlord agrees to sign the Tenancy Agreement if so requested.

**STATUTORY OBLIGATIONS: FAILURE TO COMPLY IS A CRIMINAL OFFENCE!**

Before allowing occupation, proof of compliances with Statutory Safety Legislation / Duty of Care in respect of Gas, Electric and Soft Furnishings is required. Gas (where applicable) & Electric supplies must be connected and meter cards/keys made available for checks to be carried out.

The Landlord authorises us to use our best endeavours to ensure compliance with Statutory Safety Legislation, the cost of all inspections, remedial work, removal or replacement furniture to be borne by the Landlord. Gas appliances MUST be checked **annually** by a **Gas Safe Registered Engineer**. A portable appliance test and cursory visual installation check will be carried out before the commencement of every Tenancy. The purpose of these checks is to ensure an appliance of installation is safe, not that it is operational. All soft furnishings must comply with current legislation. Costs will be borne by the Landlord and where our contractors are used, costs include our administration fees.

**HOUSING BENEFIT REFUNDS:** (Rent Processing & Management only): The Landlord undertakes to immediately reimburse any monies received via us from Housing Benefit should said monies be reclaimed by Housing Benefit for any reason whatsoever.

**INSURANCE:** The property and its contents should be comprehensively insured to include third party and occupier's liability risks. Failure to inform your insurers that your property is let could render the policy void. You should obtain detailed advice from your insurers as to the nature and extent of the cover required.

**CONTRACTORS:** Our contractors are constantly monitored to ensure that they comply with our high standards. We will endeavour to use any contractor specified by you, but cannot guarantee to do so, particularly in an emergency. Whilst exercising all due care and attention in our choice and administration of contractors we cannot accept any responsibility for any loss or damage caused by the neglect or default of any contractor.

**UTILITY PROVIDERS:** The Landlord agrees that all accounts for Gas and Electricity will be transferred to the Tenant(s)' names for the duration of the tenancy.

**ADVANCE RENT:** Where Sovereign House take a lump sum payment of more than 2 months' rent in advance from a Tenant, the lump sum shall not be paid to the Landlord unless we are in receipt of evidence that the mortgage is paid up to date and is not in arrears. Without evidence, the rent will be released to the Landlord monthly on or around the rent due date.

**AUTHORITY** (delete if not required): The landlord authorises us to sign and execute the Tenancy Agreement on their behalf and to grant occupation to a Tenant on or after the date confirmed in this agreement or subsequent correspondence as the date on which the property will be available for occupation, without further referral to the Landlord, providing we are in receipt of references we believe to be satisfactory, a deposit equal to not less than 6 weeks rent and a months' paid rent in advance.

## **KEYS:**

**Properties are let quicker when we hold keys thus increasing rental income**

Tenants often visit our offices without an appointment so holding keys allows us to show the property immediately.

**Without keys, Tenants may be suited elsewhere.**

Tenants are frequently late or fail to keep appointments causing inconvenience and annoyance to Landlords or existing Tenants who may have made special arrangements to grant access.

Keys held are security coded and prospective Tenants are always accompanied to vacant properties.

The property will be left secure as the keys supplied allow.

Should the property be tenanted, the existing Tenancy Agreement should permit access for viewing.

**THE DEPOSIT** is held as security against damage, rent arrears and any other breaches of the Tenancy Agreement. From 6<sup>th</sup> April 2007 all Tenants' deposits held on Assured Shorthold Tenancies must be protected by one of three schemes. Company Lets and other forms of tenancies are exempt. There are two insured schemes where either the agent or the landlord may hold the deposit, or a Custodial Scheme which is free of charge but the scheme holds the deposit. Further details on the scheme operators are set out below.

### **My Deposits (Insured Scheme):**

3<sup>rd</sup> Floor, Kingmaker House, Station Road, New Barnet, Herts EN5 1NZ  
Tel: 0871 703 0552 Fax: 0845 634 3403 E: [info@mydeposits.co.uk](mailto:info@mydeposits.co.uk)  
W: [www.mydeposits.co.uk](http://www.mydeposits.co.uk)

### **The Dispute Service (Insured Scheme):**

PO Box 541, Amersham, Bucks HP6 6ZR  
Tel: 0845 226 7837 Fax: 01494 431123 E: [deposits@tds.gb.com](mailto:deposits@tds.gb.com)  
W: [www.thedisputeservice.co.uk](http://www.thedisputeservice.co.uk)

### **The Deposit Protection Service (Custodial Scheme):**

The Pavillion, Bristol BS99 6AA  
Tel: 0870 707170 Fax: 0870 703 620E: [enquiries@depositprotection.com](mailto:enquiries@depositprotection.com)  
W: [www.depositprotection.com](http://www.depositprotection.com)

Should our fees exceed the first months' rent paid by the Tenant, then where possible and subject to us obtaining the Tenants' written permission, the excess will be deducted from the deposit. This practice is carried out purely as an accounting exercise to avoid the need for the Landlord to send additional funds to settle our account. In such cases the Landlord remains responsible for the full deposit.

**CHOICE OF SCHEME PROVIDER:** If the Landlord does not advise us of the scheme provider with whom they wish us to register the deposit, we will use our discretion to register the deposit with whichever scheme we choose and will advise the Landlord accordingly.

**LANDLORDS RESIDENT OVERSEAS** cannot hold the deposit and so the deposit must be held by us (if managed) or the Custodial Scheme.

## **INVENTORY, CHECK IN AND CHECK OUT – PLEASE READ THIS SECTION CAREFULLY**

**Under The Tenancy Deposit Protection Scheme, tenants must consent to any deductions made from the deposit!**

In the event of a dispute that cannot be resolved, unless the disputed sum exceeds £5000, the matter will be referred to a free but binding dispute resolution service (you can still choose to go to Court). In any event you will need to provide documentary evidence to prove the loss or damage you are claiming was caused by the Tenant.

Whilst it is not a legal requirement, if you cannot produce a detailed inventory, signed by the Tenant at the start of the Tenancy together with a signed and equally meticulous "Check In" and "Check Out" report, a case examiner working for any of the Protected Deposit Scheme OR a Court of Law, will almost certainly aware the disputed sum to the Tenant.

You may draw up your own inventory and carry out the check in and check out but we advise against it.

**Where a Landlord does NOT instruct us to arrange an inventory they will be required to sign a disclaimer prior to any tenants taking occupation**

**LET ONLY SERVICE:** We will forward the deposit to the landlord who is legally responsible for registering it subject to clause B.3 to follow;

## **THE TENANCY DEPOSIT SCHEME**

**B.1** The Tenancy deposit. We are a member of the Tenancy Deposit scheme, which is administered by: The Dispute Service Ltd, Po Box 541, Amersham, Bucks HP6 6ZR. Tel: 0845 226 7834 Fax: 01494 431123 Email: [deposits@tds.gb.com](mailto:deposits@tds.gb.com)

**B.2** If we are instructed by the Landlord to hold the deposit we shall do so under the terms of The Tenancy Deposit Scheme. (not available with Let Only service)

**B.3** If the Landlord decides to hold the Deposit and the Tenancy is an Assured Shorthold Tenancy, the Landlord must specify to us prior to the start of the Tenancy under which other Tenancy Deposit Protection Scheme the Deposit will be covered. If the Deposit covered by Tenancy Deposit Solutions or Tenancy Deposit Scheme the Landlord must provide proof of membership together with a copy of the insurance policy before the Deposit can be released. Alternatively, we will register the Deposit with the Custodial Scheme known as the Deposit Protection Scheme and we will forward the Deposit to the DPS and register the details of the Tenancy. Confirmation of this will then be forwarded to the Landlord.

**B.4** The Agent holds tenancy deposits as Stakeholder.

**B.5** At the end of the Tenancy if covered by Tenancy Deposit Scheme:

**B.5.1** If there is no dispute we 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 condition 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.

**B.5.2** If, after 10 working days following notification of a dispute to us or the Landlord and reasonable attempts have been made in that time to resolve any difference of opinion, there remains an unresolved dispute between the Landlord and Tenant over the allocation of the Deposit it will (Subject to B.5.3 below) be submitted to the ICE (Independent Case Examiner of The Dispute Service) for adjudication. All parties agree to cooperate with the adjudication.

**B.5.3** When the amount in dispute is over £5000 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.

**B.5.4** The Statutory rights of either the Landlord or the Tenant(s) to take legal action against the other party remain unaffected.

**B.5.5** 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.

**B.5.6** 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.

**B.5.7** We must cooperate with the ICE in the adjudication of the dispute and follow any recommendations concerning the method of the resolution of the dispute.

## INVENTORY – CHARGES EXCLUDE VAT

Please tick as required. If not completed, no action will be taken.

Sovereign House to arrange inventory

Landlord to arrange inventory / No inventory required

We usually request that Tenants cover the cost of the check out where a Landlord asks us to arrange an inventory for them. Tenants will not be liable for a check out where a Landlord has not requested us to arrange an inventory.

Inventory Prices are dependent on the size of the property and the furnishings. Please ask for an approximate price.

**ENERGY PERFORMANCE CERTIFICATES (EPC):** On all new Tenancies commencing 1<sup>st</sup> October 2008 onwards it is law to supply an EPC to the Tenant. An EPC is valid for 10 years and looks similar to the energy labels found on domestic appliances such as fridges and washing machines. The energy efficiency and environmental impact of your property will be rated on a scale from A-G (where A is the most efficient and G the least efficient). Current running costs for heating, hot water and lighting will also be shown on the certificate, together with a list of recommended energy saving improvements. The fine for Landlord's non-compliance is £200 but may in certain circumstances be significantly higher.

### LICENSING FOR HOUSES IN MULTIPLE OCCUPATION (HMO) – HOUSING ACT 2004:

**Most properties do not require licensing** but our understanding is that properties affected are as follows:

Those with 3 or more storey's, including a basement or loft conversion and split level flats with shops/commercial premises beneath

Flats that are 3 storey's from the ground or higher, excluding (we understand) purpose built flats

Converted flats or bed sits that SHARE amenities such as a bathroom, kitchen or toilet facilities i.e. not completely self-contained.

**We understand that licensing is required, where such properties are occupied by 5 or more people (including children) comprising 2 or more households, who share amenities i.e. bathroom, kitchen or toilet facilities. Further clarification should always be sought by the Landlord directly by their local authority as failure to comply can result in a fine of up to £20,000.**

We will be pleased to introduce Tenants to properties requiring licenses (however unless the property is already licensed, we will not know if a license is required until the number of Tenants taking occupation and their relationship is established). We will only accept instructions on a Tenant Introduction basis. Upon the Tenants taking occupation, we will write to the local authority furnishing them with the Landlords details and requesting an HMO License Application be sent directly to the Landlord. Further details concerning this legislation are available online.

**OVERSEAS LANDLORDS: Landlords must apply for an exemption certificate to be issued to us permitting us to pay rent without deduction for tax.**

Only the Landlord can make the application which, if granted, will be issued directly to us.

Form NRL1 may be downloaded from [www.inlandrevenue.gov.uk/cnr/nr\\_landlords.htm](http://www.inlandrevenue.gov.uk/cnr/nr_landlords.htm). This must be completed and our reference (NA2915312) included to link the application to us.

Where a property is jointly owned, an application for each owner must be submitted as we are required by the Inland Revenue to have exemption numbers for all owners.

There is also a form for Companies, NRL2 or Trustees NRL3. Until exemption certificate is received we are legally obliged to without tax at basic rate from net rental income. Where we do not process rent payments, landlords must advise their Tenants to make this deduction.

## FEE'S AND SERVICES

**LET ONLY:** 10% plus VAT per annum based on the gross rental due for the term of the tenancy agreement, ignoring any options to terminate by the Landlord or Tenant (subject to a minimum fee of £800 plus VAT), payable wholly in advance upon us finding a Tenant who takes occupation of the property. Subsequent extensions or continuations of the Tenancy to any of the tenants in the original tenancy agreement are charged at the same rate and manner for each year or part of year, irrespective of whether or not we have prepared new documentation (which may not be required). Fees are not refundable unless we have acted negligently or in breach of this agreement.

Service includes:

Accompanying tenants on viewing appointments (unless by special arrangement)

Supervising the signing of the tenancy agreement

Ensuring compliance with current Gas, Electrical & Furniture Safety Regulations prior to Tenant taking occupation

Obtaining references (usually via an independent referencing agency)

Obtaining deposit from Tenant

### **Optional additional services:**

Key Cutting: £15 + VAT (in addition to cost of keys)

Registration of Deposit – not available with this service – you will be asked to provide a copy of the deposit protection certificate before the deposit monies can be transferred to you

Administering Rent Guarantee Insurance Claim (if Landlord has such insurance) in the event of non-payment of rent: £200 plus VAT

Court Attendance - £150 plus VAT per visit

**When providing our Let Only & Rent Processing service we will not become involved in any way in the agreement of dilapidation charges from the deposit, which must be agreed directly between the Landlord and Tenant**

**RENT PROCESSING:** 12% plus VAT per annum based on the gross rental due for the term of the Tenancy Agreement, ignoring any options to terminate by the Landlord or Tenant (subject to a minimum fee of £800 plus VAT). 10% plus VAT is payable wholly in advance upon us finding a Tenant who takes occupation of the property with the remaining 2% plus VAT payable on a monthly basis. Subsequent extensions or continuations of the Tenancy to any of the tenants in the original tenancy agreement are charged at the same rate and manner for each year or part of year, irrespective of whether or not we have prepared new documentation (which may not be required). Fees are not refundable unless we have acted negligently or in breach of this agreement.

As Let Only plus:-

Forwarding of rents received, less agreed deductions – paid directly into landlords designated account via our bank

Arranging for Tenant to sign Standing Order mandate

Rent Statements

Registration of Tenancy Deposit (unless Landlord wishes to hold themselves) – Excluding Negotiating of Deductions / Charges

Sending of Arrears Reminders, Notices and Demands

Administering Rent Guarantee Insurance Claim (if Landlord has such insurance) in the event of non-payment of rent

### **Optional additional services:**

Key Cutting: £15 + VAT (in addition to cost of keys)

Postal Service – if you require some or all of the following to be sent by post rather than email i.e. statements, rent cheques, tenancy agreements and other correspondence - £50 per annum (paid at commencement of each tenancy). Covers the cost of postage, printing, stationery and additional administrative time. **Email service is FREE OF CHARGE.**

Redirection of post – 50p per letter

**FULL MANAGEMENT:-** 15% plus VAT per annum based on the gross rental due for the term of the Tenancy Agreement, ignoring any options to terminate by the Landlord or Tenant (subject to a minimum fee of £800 plus VAT). 10% plus VAT is payable wholly in advance upon us finding a Tenant who takes occupation of the property with the remaining 5% plus VAT payable on a monthly basis. Subsequent extensions or continuations of the Tenancy to any of the tenants in the original tenancy agreement are charged at the same rate and manner for each year or part of year, irrespective of whether or not we have prepared new documentation (which may not be required). Fees are not refundable unless we have acted negligently or in breach of this agreement.

As Rent Processing service plus:-

Property Visits (1 free per annum / £50 + VAT per visit for each additional)

Arranging and running repairs up to £200 as made aware

Advising Landlord of any breaches of the Tenancy Agreement as we are made aware

Ensuring compliance with landlords statutory obligations providing sufficient funds are held

Registration of Tenancy Deposit (unless Landlord wishes to hold themselves)

**Optional additional services:**

Key Cutting: £15 + VAT (in addition to cost of keys)

Postal Service – if you require some or all of the following to be sent by post rather than email i.e. statements, rent cheques, tenancy agreements and other correspondence - £50 per annum (paid at commencement of each tenancy). Covers the cost of postage, printing, stationery and additional administrative time. **Email service is FREE OF CHARGE.**

Redirection of post – 50p per letter

Court Attendance for Eviction - £150 + VAT per visit

**BEFORE ALLOWING ACCESS TO A TENANT, WE REQUIRE:**

A signed copy of this document

A signed Rent Processing/Management Agreement (where applicable)

A full set of keys per occupant (plus an additional set if the property is to be managed)

**DOCUMENTARY PROOF** of compliance with:-

The Furniture and Furnishings (Fire) (Safety) Regulations 1988 (as amended in 1989 and 1993) in respect of soft furnishings

The Gas Safety (Installation and Use) Regulations 1994 in respect of ALL gas appliances

The Electrical Equipment (Safety) Regulations 1994 in respect of portable electrical appliances.

Written confirmation from a qualified electrical contractor that the electrical installation is safe

**CONFIRMATION OF INSTRUCTIONS**

Upon the signing hereof I/we confirm that I am/we are the owner(s) of the above-mentioned property. My/our mortgage lenders, freeholder and insurers have given their written approval to let this property and there are no mortgage arrears on this property. I am/we are (resident in the UK) (resident overseas) and will advise you in writing immediately this position changes. I/we authorise you to arrange for details of products or services they believe may be of interest to me/us to be sent to me/us or for my/our details to be passed to other companies for the same purpose (delete if not applicable). I will advise you in writing, of any changes to the aforementioned details. I/we confirm receipt of a copy of these "Terms of Business". I/we confirm my/our full understanding and agreement to these Terms of Business and instruct you to endeavour to find a Tenant.

**Service Required:** Let Only / Rent Processing / Full Management.

**Rent to be quoted:** £ \_\_\_\_\_ per calendar month / per week .

**Lowest Rent Acceptable:** £ \_\_\_\_\_ per calendar month / per week .

**Date Available:** \_\_\_\_\_ .

Court Attendance for Eviction - £150 + VAT per visit

**Minimum Term of Initial Tenancy Agreement:** 6 Months / 12 Months.

**Maximum Term of Initial Tenancy Agreement:** 6 / 12 / 24 Months.

**LANDLORD TO HOLD DEPOSIT**

Where the Landlord wishes to hold the deposit please indicate within which scheme:

Tenancy Deposit Solutions Ltd

The Dispute Service

Membership Number for Relevant Scheme: \_\_\_\_\_.

You will be required to provide a copy of the certificate showing that you have protected the deposit before the deposit monies can be transferred to you.

**AGENT TO HOLD DEPOSIT**

(Management & Rent Processing Only)

**CUSTODIAL SCHEME TO HOLD DEPOSIT**

Existing Member: Yes / No

If Yes: Membership Number: \_\_\_\_\_.

If No: Tick to register Deposit within Sovereign House Membership

**SAFETY INSPECTIONS**

**Sovereign House to arrange the following inspections:**

Gas Safety Inspection £65 + VAT

5 Year Electrical Installation £175 +VAT

Annual Portable Appliance Test only   
(or on change of tenancy) £80 plus VAT

EPC £65 plus VAT

**\*Third party contractor prices are subject to change from time to time**

**Right to Cancel;** If you are a private individual dealing outside your business your attention is drawn to the notice of your rights to cancel this contract which is in the schedule to these Terms of Business on page 11. By signing and returning these Terms of Business you are instructing us to work on your behalf straight away and we do not have to wait for the seven working day cancellation period to expire. If you subsequently cancel our instructions within the cancellation period you must pay for our services supplied before the cancellation including any commission fee due. Upon the signing hereof I/we agree to the above Terms and Conditions and in accordance with the confirmation of instructions section. This will also act as an undertaking that the signee is who they say they are and accept all liability in the event that they are anyone other than the Landlord or legal owner of the property. These Terms of Business do not only apply to an initial Tenancy Agreement but any subsequent Tenancies produced as a result of our services until either party give notice to terminate this contract.

**Landlord(s):** \_\_\_\_\_.

**Date:** \_\_\_\_\_.

**Sovereign House Estates:** \_\_\_\_\_.

**Date:** \_\_\_\_\_.

**All Clients - Please complete the following information page.**

**For Rent Processing – Please also read and sign Page 6**

**For Full Management – Please also read and sign Pages 7 to 10**

**To be completed by All Clients**

<b>Property to be Let:</b>	
Address:	
Postcode:	
Garage/Parking? Specify Bay Number (if applicable):	
Alarm Details (location/code):	
<b>Owners Details:</b>	
Full Name(s):	
Home Address:	
Postcode:	
Tel (Home):	
Tel (Work):	
Tel (Mobile):	
Email:	
Photographic ID provided for each owner	YES NO
Proof of address provided for each owner	YES NO
<b>Owners Contact in UK (if Overseas):</b>	
Full Name(s):	
Address:	
Postcode:	
Tel (Home):	
Tel (Work):	
Tel (Mobile):	
Email:	
<b>Bank / Building Society Details:</b>	
Name of Account Holder:	
Account Number:	
Sort Code:	

**Please ensure that:**

Instructions are left in the property for the operating of the washing machine, cooker, central heating etc.

All guarantees or copies of are provided to the Tenant / Sovereign House

Your Mail is redirected

Terminations of accounts for gas, electric etc. are sent to you. Please also arrange to read your meters.

**Please also provide Tenants with any Home Care Policies and Details that they may require during their Tenancy.**

# Rent Processing Agreement

To be read and signed for our RENT PROCESSING service only  
effective from November 2014

## MAIN TERMS

We will pay rent by BACS directly into your bank account.

We will require your email address – we do not send statements by post.

This is NOT a management agreement – Annual Gas Safety Inspections and Electrical Portable Appliance tests etc. are the responsibility of the Landlord, we will contact you to see if you would like us to arrange this for you and we will deduct the cost of the invoice from the rent before it is paid over to you.

**PAYMENT OF RENT:** Other than in exceptional circumstances, rent received less deductions, will be sent electronically to the Landlord's bank within four working days of us receiving cleared funds. We will require your bank account details and you should allow time for your bank to clear our payment. Please also remember to make additional allowances for bank holidays.

**CHRISTMAS PERIOD:** No rent payments will be made while the office is closed over the Festive Season and you should make allowances for this. The dates of office closure vary from year to year but are generally from Christmas Eve (24<sup>th</sup> December) through to the New Year (2<sup>nd</sup> January).

**STATEMENTS:** are sent by email (unless no rent for that period has been received). Annual statements requested in addition to monthly statements are charged separately at the rate of £25 plus VAT.

**STATUTORY SAFETY LEGISLATION:** This is not a management agreement and Annual Gas Safety Inspections and Electrical Portable Appliance tests etc. are the responsibility of the Landlord and will NOT be arranged by us.

**TAX – OVERSEAS LANDLORDS:** Landlords must apply for an exemption certificate to be issued to us permitting us to pay rent without deduction for tax. Only the Landlord can make the application which, if granted, will be issued directly to us. Form NRL1 may be downloaded from [www.inlandrevenue.gov.uk/cnr/nr\\_landlords.htm](http://www.inlandrevenue.gov.uk/cnr/nr_landlords.htm). This must be completed and Sovereign House Estates reference (NA2915312) included to link the application to us. Where a property is jointly owned, an application for each owner must be submitted as we are required by the Inland Revenue to have exemption numbers for all owners. There is also a form for Companies NRL2, or Trustees NRL3. Until an exemption certificate is received we are legally obliged to withhold tax at basic rate from net rental income. Quarterly tax returns made on behalf of Overseas Landlords not accepted for self-certification will be charged at £25 plus VAT per quarter.

**LATE RENT PAYMENT:** It is the contractual responsibility of THE TENANT to pay the rent. We cannot force them to pay your rent nor evict them. This can only happen through due process of law. We will endeavour to contact the Tenant by telephone and send them written rent reminders, notices and demands in an effort to obtain the rent until they are two calendar months' in arrears. Thereafter, in the absence of Rent Guarantee insurance the Landlord should refer a matter to a Solicitor. Sovereign House can, in some cases proceed with serving notice to the Tenant and if necessary an Accelerated Eviction Procedure through the courts.

## BEFORE SIGNING THIS AGREEMENT:

To avoid any misunderstandings please obtain written confirmation of any assurances, promises or alterations to this agreement made by any of our representatives.

**THE PROTECTION FROM EVICTION ACT 1977:** Only a court of law can evict a Tenant. A Landlord or Agent cannot evict a Tenant. To do so is a criminal offence punishable by a fine or even imprisonment. Harassment e.g. cutting off services, changing locks etc. is also a criminal offence.

**POSTAGE:** Postal charges exceeding that of a 1<sup>st</sup> class stamp in the UK will be passed on to the Landlord. Landlords should contact the Post Office to arrange for their post to be redirected as forwarding post is NOT a part of this service.

**OBTAINING POSSESSION:** Landlords must give at least two months' notice under The Housing Act if possession is required at the end of, or after the expiry of a fixed term Tenancy Agreement. This procedure involves serving a Notice Requiring Possession under Section 21 of the Housing Act. We will not serve this notice unless instructed by the Landlord in writing to that effect.

**CHECK OUT:** If you have opted for an inventory service, the Tenant will be checked out at the end of the term. The Tenant will be required to meet a clerk at the property on the day they leave to allow the condition of the property to be assessed and to collect keys.

All personal effects must be removed prior to the arrival of the clerk. Should the Tenant fail to confirm or keep the appointment, the check-out report will take place in the Tenant's absence as soon as practicable. Tenant will be charged rent for extra time they were in possession of the keys plus any other expenses incurred.

Cookers, washing machines, dishwashers, tumble dryers and other such domestic electrical appliances cannot be tested at "check out".

**DEPOSIT:** We will not become involved in any way in the agreement of dilapidation charges from the deposit, which must be agreed directly between the Landlord and Tenant. Where we hold the deposit as a stakeholder, we will await written agreement / confirmation from the Landlord AND Tenant before processing any deposit repayments. Please refer to "The Deposit" and "Tenancy Deposit Scheme" paragraphs within the General Terms section of this Terms of Business document.

You will be able to utilise the check-out document (if applicable) to assess what (if any) deductions you would like to propose. This document will be sent to you by Sovereign House in email format within 7 working days of the check-out having been conducted.

We recommend that you obtain the Tenants forwarding address prior to agreeing to the deposit return and we will require their bank account details to process the refund.

**TERMINATION OF AGREEMENT:** The Landlord may terminate this agreement by giving three months' notice in writing. Should this be prior to the expiry of an existing tenancy, a fee equal to one month's rent plus VAT will be payable. In the event that such termination takes place 3 months prior to a renewal and that the Tenancy initially set up by Sovereign House renews and the Tenants remain in situ, Sovereign House Estates Ltd remain entitled to commission for introducing the Tenant as defined in the "Fees and Services" paragraph of our General Terms section of this "Terms of Business" agreement (Page 6).

**ACCOUNTS INFORMATION:** Your rent will be credited to the account details you have quoted on Page 9 of this agreement.

## CONFIRMATION OF INSTRUCTIONS:

I / we confirm my / our agreement to the above terms and conditions and rent processing agreement and hereby instruct Sovereign House Estates Ltd to act as my / our Rent Processing Agents:

Landlord(s):

Sovereign House Estates:

Date:

Date:

# Management Agreement

To be read and signed for our FULL MANAGEMENT service only  
effective from November 2014

\* We regret that we cannot change any of the terms of this agreement. If you require total control over expenditure, we would recommend our "Rent Processing" service. Your Tenants will still pay their rent to us but contact you with any maintenance queries

We will spend up to £200 without telephoning you first.  
Funds must be made available for urgent repairs exceeding £200.  
We will not instruct contractors unless we have sufficient funds to pay them.  
We will need keys to the property.  
Your property will be managed by our Property Management Division.  
We will pay rent by BACS directly to your account.  
We will require your email address – we do not generally send statements by post.

**STATUTORY OBLIGATIONS:** Gas appliances MUST be checked **annually** by a Gas Safe Registered Engineer. In the event that the Landlord has a service agreement with British Gas or any other company, we will endeavour to arrange access for them, during our office hours, so that the necessary checks can take place. The completed certificate will then be issued directly to the Landlord and it will be the Landlord's responsibility to ensure that this is forwarded to Sovereign House so that it can be issued to the tenants.

**STATEMENTS:** are sent by email (unless no rent for that period has been received). Annual statements requested in addition to monthly statements are charged separately at the rate of £25 plus VAT.

**PAYMENT OF RENT:** Other than in exceptional circumstances, rent received less deductions, will be sent electronically to the Landlord's bank within four working days of us receiving cleared funds. **Please also remember to make additional allowances for bank holidays.**

**CHRISTMAS PERIOD:** No rent payments will be made while the office is closed over the Festive Season and you should make allowances for this. The dates of office closure vary from year to year but are generally from Christmas Eve (24<sup>th</sup> December) through to the New Year (2<sup>nd</sup> January).

**LATE RENT PAYMENT:** It is the contractual responsibility of THE TENANT to pay the rent. We cannot **force** them to pay your rent nor evict them. This can only happen through due process of law. We will endeavour to contact the Tenant by telephone and send them written rent reminders, notices and demands in an effort to obtain the rent until they are two calendar months' in arrears. Thereafter, in the absence of Rent Guarantee insurance the Landlord should refer a matter to a Solicitor. Sovereign House can, in some cases proceed with serving notice to the Tenant and if necessary an Accelerated Eviction Procedure through the courts.

**TAX – OVERSEAS LANDLORDS:** Landlords must apply for an exemption certificate **to be issued to us** permitting us to pay rent without deduction for tax. Only the Landlord can make the application which, if granted, will be issued directly to us. Form NRL1 may be downloaded from [www.inlandrevenue.gov.uk/cnr/nr\\_landlords.htm](http://www.inlandrevenue.gov.uk/cnr/nr_landlords.htm). This must be completed and Sovereign House Estates reference (NA2915312) included to link the application to us. Where a property is jointly owned, an application for each owner must be submitted as we are required by the Inland Revenue to have exemption numbers for all owners. There is also a form for Companies NRL2, or Trustees NRL3. Until an exemption certificate is received we are legally obliged to withhold tax at basic rate from net rental income. Quarterly tax returns made on behalf of Overseas Landlords not accepted for self-certification will be charged at £25 plus VAT per quarter

**COURT ATTENDANCE:** This is not part of our service and will be charged separately at an hourly rate dependent on the seniority of the person in attendance. Such fees are payable irrespective of the outcome of proceedings.

**INHERENT PROBLEMS:** The Landlord is responsible for all outstanding repairs, maintenance and any other matter originating prior to the signing of this agreement.

**OPERATING INSTRUCTIONS:** for all appliances must be supplied to Sovereign House Estates and a copy left at the property. In the event of injury to a Tenant as a result of misusing an appliance, a Court may uphold a claim against the Landlord if no operation instructions were provided. This is the responsibility of the Landlord.

**BURGLAR ALARMS:** The Landlord must ensure we are supplied with full operating and emergency call out details.

**KEYS:** We must have at least one full set of properly fitting keys **at all times** (including e.g. internal doors, window locks, back door, padlock key to shed, side entrance, interior and exterior meter boxes). Keys should be clearly marked and checked by the Landlord to ensure that they fit properly. Costs incurred: damage to property or personal injury sustained as a result of keys not fitting or not being supplied to us, is the responsibility of the Landlord.

**ROUTINE PROPERTY VISITS:** One visit will be conducted per annum included in this service. Additional visits are chargeable at the rate of £50 plus VAT. Our clerks are not surveyors and will only comment on general decorative order and the manner in which the property is being maintained. Should a more detailed report be required e.g. with regard to the condition of the roof, central heating, damp etc. it will be necessary to instruct an expert who may charge a fee. We will make up to three routine visits per annum.

**ADDITIONAL VISITS:** Chargeable at the rate of £50 plus VAT. Such visits include follow up visits to ensure the Tenants compliance with reasonable instructions to carry out repairing, cleaning or gardening obligations. This charge will initially be deducted from the Landlords account and reimbursed once payment from the Tenant has been received. If not received, it may be deducted from their deposit.

**CONTRACTORS:** Our contractors are constantly monitored to ensure that they comply with our high standards. We will endeavour to use any contractor specified by you, but cannot guarantee to do so, particularly in an emergency. Whilst exercising all due care and attention in our choice and administration of contractors we cannot accept any responsibility for any loss or damage caused by the neglect or default of any contractor.

**THE PROTECTION FROM EVICTION ACT 1977: Only a court of law can evict a Tenant.** A Landlord or Agent cannot evict a Tenant. To do so is a criminal offence punishable by a fine or even imprisonment. Harassment e.g. cutting off services, changing locks etc. is also a criminal offence.

**OBTAINING POSSESSION:** Landlords must give at least two months' notice under The Housing Act if possession is required at the end of, or after the expiry of a fixed term Tenancy Agreement. This procedure involves serving a Notice Requiring Possession under Section 21 of the Housing Act. **We will not serve this notice unless instructed by the Landlord in writing to that effect.**

**POSTAGE** Postal charges exceeding that of a 1<sup>st</sup> class stamp in the UK will be passed on to the Landlord. Landlords should contact the post office to arrange for their post to be redirected as forwarding of post is not a part of our service and will be charged at a rate of 50p per letter forwarded plus postage.

**DAMAGE & COMPENSATION:** Fair wear and tear must be taken into account, the degree of which is dependent upon the number of persons in occupation i.e. Landlords must accept a greater degree of wear and tear from a family of four than from a single person. If children or animals have been accepted this must also be taken into account. The Tenant is not required to leave the premises in a better condition than at the commencement of the tenancy or compensate the Landlord in excess of the value of the loss or damage caused. **This reflects the likely view of a court.**

## **REPAIRS & MAINTENANCE:**

**WITHOUT CONTACTING YOU FIRST we will deal with any reported repair we deem necessary, providing the estimated cost of any individual repair is unlikely to exceed £200.** In the case of an emergency, or where such repairs are a statutory requirement, we reserve the right to instruct our contractors to enforce the Landlords legal obligations.

We reserve the right not to instruct a contractor if the estimated cost of a repair exceeds the level of cleared funds held. Interest is not paid on monies held.

In the event of a Tenant reporting a problem where it is only established AFTER a contractor has visited, that the call was either unnecessary or the responsibility or fault of the Tenant then it will be the Tenant's responsibility to pay the contractors call out / repair charges. The charge will initially be deducted from the Landlords account and then reimbursed when payment from the Tenant is received. Should payment from the Tenant not be forthcoming, it may be deducted from their deposit.

**No estimate for approval will be obtained unless we believe the likely cost of repair exceeds £200**

**THE LANDLORD AND TENANT ACT** states that rent properties must be "habitable". Specific Landlord obligations include providing hot water, adequate sanitation and bathing facilities; maintenance of the heating system; ensuring the property is free from damp and weather proof.

Should repairs be required under this Act, the Landlord must make funds available to us within 48 hours of being so requested, or make their own arrangements for such repairs to be undertaken as soon as reasonably possible. We reserve the right to use our absolute discretion to decide if any delay on the part of the Landlord is reasonable or otherwise, and to cancel this management agreement without further notice if we believe the Landlords actions or inaction may leave us liable to prosecution or legal proceedings. In such circumstances written confirmation to both Landlord and Tenant will be sent to this effect and the Landlords contact telephone numbers supplied to the Tenant.

**THE DEPOSIT:** Deposits taken on Assured Shorthold tenancies commencing from 6<sup>th</sup> April 2007 must be protected by one of three schemes. Company Lets and other forms of tenancies are exempt. There are two insured schemes where either the Agent or the Landlord may hold the deposit, or a Custodial Scheme which is free of charge but the scheme holds the deposit. Further details on the scheme operators are set out below.

### **My Deposits (Insured Scheme):**

3<sup>rd</sup> Floor, Kingmaker House, Station Road, New Barnet, Herts EN5 1NZ.  
Tel: 0871 703 0552 Fax: 0845 634 3403 E: [info@mydeposits.co.uk](mailto:info@mydeposits.co.uk)  
W: [www.mydeposits.co.uk](http://www.mydeposits.co.uk)

### **The Dispute Service (Insured Scheme):**

PO Box 541, Amersham, Bucks HP6 6ZR.  
Tel: 0845 226 7837 Fax: 01494 431123 E: [deposits@tds.gb.com](mailto:deposits@tds.gb.com)  
W: [www.thedisputeservice.co.uk](http://www.thedisputeservice.co.uk)

### **The Deposit Protection Service (Custodial Scheme):**

The Pavillion, Bristol BS99 6AA  
Tel: 0870 707170 Fax: 0870 703 620 E: [enquiries@depositprotections.com](mailto:enquiries@depositprotections.com)  
W: [www.depositprotections.com](http://www.depositprotections.com)

**CHECK OUT:** If you have opted for an inventory service, the Tenant will be checked out at the end of the term. The Tenant will be required to meet a clerk at the property on the day they leave to allow the condition of the property to be assessed and to collect keys.

All personal effects must be removed prior to the arrival of the clerk. Should the Tenant fail to confirm or keep the appointment, the check-out report will take place in the Tenant's absence as soon as practicable. Tenant will be charged rent for extra time they were in possession of the keys plus any other expenses incurred.

Cookers, washing machines, dishwashers, tumble dryers and other such domestic electrical appliances cannot be tested at "check out".

We will NOT negotiate deposit returns if you did not instruct us to organise the inventory for you.

**RETURN OF DEPOSIT:** Sovereign House will provide to the Landlord within 7 working days of the end date of the Tenancy, a copy of the check-out report prepared by the inventory company. The inventory company will advise Sovereign House and the Landlord of anything they deem to be Tenants liability within this report. Ultimately the Landlord must satisfy him/herself of the condition of the property and any proposed deductions. The Landlord will be asked to advise Sovereign House of any deductions he/she wishes to propose and Sovereign House will then negotiate between Landlord and Tenant thereafter.

**COURT ATTENDANCE:** This is not part of our service and will be charged separately at an hourly rate dependent on the seniority of the person in attendance. Such fees are payable irrespective of the outcome of proceedings.

**INSURANCE:** The Landlord should insure the property and their own contents (to include public liability) for the full period of the tenancy and to ensure policies are renewed on the appropriate dates. Landlords must check the terms of their insurance policies carefully to ensure they comply at all times. Failure to do so may invalidate the policy.

In all other cases we will not give less than one months' notice in writing terminating this agreement.

**VACANT PROPERTIES: We do not manage vacant properties.** Landlords must advise their insurers when the property becomes vacant and adhere to the conditions contained within their policy. It is often a requirement to ensure water tanks are drained down to reduce the risk of leaks and burst pipes. **If requested in writing at the time** we can arrange for tanks to be drained down. This is not a part of our management service and a separate charge will be made.

**THIS MANAGEMENT AGREEMENT** exists in conjunction with our "General Terms" Section of our "Terms of Business" and nothing in this agreement shall change or invalidate any clauses in that document.

**TERMINATION OF AGREEMENT:** The Landlord may terminate this agreement by giving three months' notice in writing. Should this be prior to the expiry of an existing Tenancy or whilst our introduced Tenant remains in occupation then a fee equal to one months' rent plus VAT will be payable.

In the event of a Landlord refusing to meet any statutory obligation, we may terminate this agreement with immediate effect. This will be confirmed in writing and be deemed to have taken place as of the date said written confirmation. A fee equal to one months' rent plus VAT will be payable.

We reserve the right to cancel this agreement giving 1 months' notice at which time the service will revert to our "Let Only" service and terms and conditions.

### **BEFORE SIGNING THIS AGREEMENT:**

To avoid any misunderstandings please obtain written confirmation of any assurances, promises or alterations to this agreement made by any of our representatives.

### **CONFIRMATION OF INSTRUCTIONS:**

I / we confirm my / our agreement to the above terms and conditions and management agreement and hereby instruct Sovereign House Estates Ltd to act as my / our Managing Agents:

Landlord(s): \_\_\_\_\_ Sovereign House Estates: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_



**To be completed by clients requiring our Full Management Service:**

<b>Managing Agents or Freeholders:</b>	
Name:	
Address:	
Postcode:	
Tel:	
Email:	
<b>Solicitor Details:</b>	
Name:	
Address:	
Postcode:	
Tel:	
Email:	
<b>Building Insurance Details:</b>	
Policy Number:	
Insurer:	
Address:	
Postcode:	
Tel:	
Email:	
<b>Contents Insurance Details:</b>	
Policy Number:	
Insurer:	
Address:	
Postcode:	
Tel:	
Email:	

<b>Electrical Appliances with Guarantees (if any):</b>	
Washing Machine:	
Fridge / Freezer:	
Cooker / Oven / Hob:	
Other:	
<b>Utility Suppliers:</b>	
Council Tax:	
Electricity:	
Gas (if applicable):	
Water:	
Telephone / Internet:	
<b>Please advise the locations of the following:</b>	
Mains Water Stop Cock:	
Electric Meter:	
Gas Meter:	
Water Meter:	
Fuse Box:	

# Schedule

## Notice of Right to Cancel this Contract

If you are a private individual dealing outside your business and instructions were received by us other than a face to face meeting (i.e. By letter, telephone, fax or e-mail) or during a visit to your home or place of work or the home of another individual, you have the right to cancel this contract without any cost to you within 7 working day of instructing Sovereign House to act for you. This right can be exercised by delivering or sending (including by electronic mail) a cancellation notice at any time within the period of 7 working days starting with the date of receipt of this notice of the right to cancel the contract ("cancellation period")

The notice of cancellation is deemed to be served as soon as it is posted or sent to Sovereign House or in the case of an electronic communication from the day it is sent.

If you do wish to cancel the contract you **MUST DO SO IN WRITING** and deliver personally or send (which may be by electronic mail) this to the person named below. You may use this form if you want to but you do not have to.

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(Complete, detach and return this form ONLY IF YOU WISH TO CANCEL THE CONTRACT)

To: Sovereign House Estates Ltd, 213 Victoria Park Road, London, E9 7HD

I/We hereby give notice that I/We wish to cancel my/our contract relating to the letting of the property at

.....(property address)

Signed by the Landlord: .....

Date: .....

Name and Address: .....

.....  
.....  
.....