

**Elliott Properties (Bath) Ltd
Residential Lettings & Management
Terms and Conditions of Business**

1. This document outlines the Terms and Conditions under which Elliott Properties will act for clients as agents in the letting and management of residential property.

2. SERVICES TO LANDLORDS

We offer two distinctive services to landlords. These are:

2.1 Introductory Service.

In providing the above service Elliott Properties will:

- a). Agree with you in advance a rent to be quoted for your property and commence marketing at the agreed rental. Once a tenant has been found, we will apply for suitable references and contact you as appropriate.
- b). Ensure that an appropriate Tenancy Agreement, counterpart Tenancy Agreement and notices are prepared and signed by the tenant and by or on behalf of the landlord if requested in writing. (There will be a separate cost for this.)
- c). Arrange for the preparation of an Inventory and/or Schedule of Condition prior to the commencement of the tenancy. (There will be a separate cost for this)
- d). Collect the first month's rental or funds depending on the terms of the agreed Tenancy Agreement.
- e). Collect and hold if necessary the dilapidation's deposit as Stakeholder.
- f). Notify the utility companies of the new occupier and meter readings including (gas, electricity, and water).
- g). Notify the Local Authority of the change of occupant for the purpose of liability of council tax or any charge which may replace it.

2.2 Fully Managed

In providing the above service Elliott Properties will, in addition to the services outlined in paragraphs a) to g) above:

- h). Collect subsequent monthly or quarterly instalments of rent.
- i). Submit monthly or quarterly statements of account with copies of relevant invoices, vouchers and receipts.
- j). Arrange for the inventory and/or schedule of condition to be checked at the termination of the tenancy (on the basis that it has been prepared by Elliott Properties) and for a check our report to be supplied, verbally or in writing as appropriate. Any damage or dilapidation, which may have occurred during the tenancy, is recorded on the report, copies of which are sent to landlord and tenant who mutually agree what amount (if any) is to be deducted from the dilapidation's deposit.
- k). Pay from the rent received such outgoings as ground rent, insurance premiums (on receipt of demand), service charges, maintenance contracts, etc, all on the sole basis that we hold sufficient funds on your behalf. Although we will use our best endeavours to query any obvious discrepancies as we discover them, we must emphasise that we are entitled to accept and pay on your behalf demands and accounts, which appear to be correct.
- l). Carry out a routine inspection on the property four times a year (and upon a serious defect requiring our inspection being reported to us) and submit a written report to you on each occasion. Such a report will be prepared solely for your benefit and may not be produced or reproduced to any third party as evidence of the state or condition of the property. Whilst we will make every endeavour to ensure the accuracy of any report, no liability can be accepted by Elliott Properties for the accuracy or otherwise of any statement made.
- m). Deal with routine management matters including minor works up to £250 for any one item without further instruction from you but as initially agreed as part of our management terms. In order to provide such service, we would set up a float (no less than £250) from the agreed rent and maintain it at the agreed level from subsequent net rents passing from the tenant to you. In particular, this will apply to landlords residing overseas.
- n). Deal with major matters of redecoration, renewal, replacement or repair costing between £250 - £500 with your verbal authority (save in case of emergency and/or when it is impractical so to do). We will organise and inspect works in excess of £500 for an additional administration and arrangement fee of 10% of the cost of the works, such charge to be deducted from any monies received by us on your behalf unless payment is received from you direct.
- o). Lodge and progress any insurance claims relating to the property on your behalf.
- p). Put in hand cleaning and repair works arising out of the schedule of dilapidation's as outlined in J). Above (subject to availability of funds held on your behalf) and obtain estimates for major works if appropriate. We will submit the same to landlord and tenant, requesting agreement on the amount to be deducted from the dilapidation's deposit.
- q). Our appointment as Managing Agents, unless otherwise agreed in writing in advance, will be for the duration of the tenancy as defined in these Terms of Business, subject to three months written notice to terminate from either side. In the event of such termination-taking place, Elliott Properties will remain entitled to commission for introducing the tenant(s) as defined in paragraph 4.1.

3. NOTES

- a). **Rent:** Unless otherwise agreed, the rent quoted by us will include those payments for which you are liable as landlord. Such as ground rent, service charges, etc., but will exclude those payments for which the tenant is in most circumstances liable – e.g. gas, electricity and other fuel charges, telephone, water and council tax or any charge which may replace it.
- b). **Dilapidations Deposit:** Unless otherwise agreed, this will normally be a sum equivalent to approximately 4 weeks rent. Elliott Properties will hold the sum as stakeholder and will release it in the manner outlined in paragraph j.) or p.) above (subject to evidence).
- c). **Inventories:** In arranging for the preparation of an inventory, we cannot be held responsible for any error or omission on the part of the appointed clerk.
- d). **Contractors:** Our panel of appointed contractors is constantly monitored to ensure that all members comply with our high standards of quality, cost and speed of delivery. We will endeavour to use any contractor specified by you. Whilst exercising all due care and skill 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.

- e). **Leasehold Property:** If the property to be let is leasehold, it is important to ensure that:
 - Any intended letting is permitted by the terms of the lease.
 - Any tenancy if for a period expiring prior to the termination of the lease
 - The written permission of your landlord/management company is obtained, if necessary.
- f). **Mortgaged Property:** If the property to be let is subject to a mortgage or loan, it is important to ensure that written permission is obtained from the Mortgage Company or lender. It should be noted that the Mortgage Company or lender would usually have power to terminate the letting if mortgage payments or loan repayments, or any other requirements of the mortgage or loan, are not met.
- g). **Joint Owners:** Authority to let the property should be obtained from any joint owner(s) who should be named on the Tenancy Agreement.
- h). **Insurance:** The property and its contents should be comprehensively insured to include third party and occupier's liability risk. Failure to inform your insurer that the property is let could render the policy void. You should obtain detailed advice from your insurer as to the nature and extent of insurance coverage required.
- i). **Clearance of funds:** The UK bank system can take up to 10 days to clear funds paid to us by means of standing order or cheque and to transfer them (less fees and any other monies due to us) to your account. We always endeavour to pass funds to clients on the same day that Monies received in our client account clear.
- j). **Rent Arrears:** Should any rent arrears or breaches of covenant be brought to our attention, you will be informed as soon as reasonably practicable. Thereafter, you will become responsible for instructing your solicitor as necessary, and for any fees and/or charges made by them. We cannot take legal action for you as the tenancy contract is between you and the tenant(s), nor can we accept liability for arrears and breaches of covenant. Elliott Properties, as a matter of course, institutes a procedure for pursuing the payment of outstanding rent, but we reserve the right to make separate charge for time spent in connection with preparation for, and attendance at, any court proceedings resulting from action taken against the tenant(s).
- k). **Income Tax:** Income from letting UK property is subject to UK income tax, even if the landlord is resident abroad. This includes a landlord who is an overseas registered company or a non-UK resident trust. If a landlord has an overseas address, or the indications are that the landlord lives outside the UK, we are required by law to withhold tax at the basic rate in force at the time payment is required on monies received on the landlords behalf, less certain expenses, unless we are specifically authorised by UK inland revenue to deal with the matter otherwise. If it appears that we will be held liable for tax on your income, we will automatically reserve sufficient monies from rents received to meet the potential tax liability in accordance with indemnity provided for in Section 42(3)(a) of the Income and Corporate Taxes Act 1988, and Schedule 23(6) to the Finance Act 1995.
- l). **Statutory applications:** We will only deal with applications for fair rents, or other court or tribunal matters, by special arrangement and for which charges will be agreed with you in advance.
- m). **Keys:** We ask for three sets of keys for your property; if you are unable to supply three complete sets, we will arrange to have them cut at your expense. We recommend that if there are any lost or unaccounted keys to your property, locks are changed before tenancy commences.
- n). **Furniture, Furnishings, Gas and Electrical Safety:** We would draw particular attention to our guidance notes relating to the Furniture and Furnishings (Fire) (Safety) Regulations 1988 (as amended in 1989 and 1993), the Gas Safety (Installation and Use) Regulations 1994, and the Electrical Equipment Safety Regulations 1994, all of which impose important requirements upon landlords or residential property. Please ensure that you are fully acquainted with your liabilities under the regulations and ask for further guidance or advice from our staff should you require it.

4 FEES AND CHARGES

- 4.1 Introductory Service:** Once a Tenancy Agreement has been entered into by the tenant, commission due to Elliott Properties, unless otherwise agreed is the equivalent sum of 50 % of one months rental as a one off payment, payable in full in advance.
- 4.2 Fully Managed Service:** Commission due to Elliott Properties unless otherwise agreed is 10% of the total rent payable under the terms of the tenancy, payable from, and at the same frequency as, rent received.
- 4.3 Tenancy Agreement:** Unless agreed otherwise the set up charge for our tenancy agreement applying to new tenancies is £100. Renewal of agreements for existing tenancies including periodic notices and official notices will be charged at £50.
- 4.4 Inventory/Schedule of condition:** Unless agreed otherwise the charge for preparing an inventory and/or Schedule of Condition, for checking in and checking out, and for preparation of schedule of dilapidations will be £100.
- 4.5 Advertising:** Our commissions, fees and charges specified in 4.1 and 4.2 above include any expenses we 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.
- 4.6 Sale of Property:** In the event that a sale of, or acquisition of an interest in the property (whether by transfer of the landlords interest in the property or the grant of a lease) should be agreed to a tenant, any associated party or any person introduced at any time by Elliott Properties, leading to an exchange of contracts, Elliott Properties will be entitled to commission on the sale at the rate of 1.5% of the sale price. The commission will become due upon exchange of contracts but we will defer payment until the date of completion of sale.
- 4.7 Value Added Tax:** Fees are subject to VAT charged at the current rate.
- 4.8 Tenancy Deposit:** As per 2.1 (e). Elliott Properties will hold the deposit as stakeholder - protected in accordance with government Tenancy Deposit Protection guidelines at a cost to the landlord. A protection fee will incur each time a new assured tenancy is issued. Landlords wishing to hold deposits will be required to join the scheme at their own cost and protect the deposit in the manor required.



Please confirm your instruction by returning one copy of this document with the sections below - Completed and signed.

1. I _____ (full name) declare that:

(a) I am the sole legal owner of the freehold/leasehold interest in the property.

OR

(b) I am the joint owner of the freehold/leasehold interest in the property with

[Please print full name(s)] on whose behalf I am authorised to give these instructions to Elliott Properties and to make this declaration.

2. I have read and accept these Terms and Conditions of Business and wish to provide the service(s) marked below and upon the terms and conditions stated herein.

3. I understand and acknowledge my obligations pursuant to the Furniture and Furnishings (Fire) (Safety) Regulations amended in 1989 an 1993), the Gas Safety (Installation and Use) Regulations 1994, and the Electrical Equipment (Safety) Regulations 1994, and I accept and confirm that I have full responsibility to ensure that I comply fully with their requirements before and during the letting of the property.

4. I agree to a representative of Elliott Properties signing the Tenancy Agreement on my / our behalf.

| Tick | % / Fee (+VAT) | Initial | |
|--------------------------|-------------------------------------|---------------------------|-------|
| Service required | | | |
| <input type="checkbox"/> | Introduction Services | 50 % of one months rental | _____ |
| <input type="checkbox"/> | Rent Collection Service | 8 % | _____ |
| <input type="checkbox"/> | Full Management Service | 10 % | _____ |
| Set Up Costs | | | |
| <input type="checkbox"/> | Tenancy Agreement | £100 | _____ |
| <input type="checkbox"/> | Inventory & Schedule of Condition | £130 | _____ |
| <input type="checkbox"/> | New Tenancy House Clean | £80 | _____ |
| <input type="checkbox"/> | Tenancy Deposit Scheme (Compulsory) | £50 | _____ |
| <input type="checkbox"/> | Gas Safety Certificate | £80 | _____ |
| <input type="checkbox"/> | Energy Performance Certificate | £80 | _____ |

Please tick and initial the services required.

Property Address _____

Name (Blocked Capitals) _____

Signature _____ Date _____