

# SurreyLets

Surrey lettings and property management

## Terms and Conditions of Appointment





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### Definitions

**“Agreement”** refers to the Terms of Business between the Agent and the Client

**“The Agent”** refers to SurreyLets Ltd

**“Client”** refers to the legal owner of the property who is instructing us to act on their behalf

**“Property”** refers to the address given on the Terms of Business and the address the Client is Letting.

### Services

#### Tenant Introduction

SurreyLets will carry out a pre-letting visit of the property to determine an appropriate market rental. In the event of SurreyLets introducing a Tenant to the Client who subsequently enters into an agreement with the Tenant to rent the property, commission will become due to the Agent for the duration of the let where a Tenant is introduced by SurreyLets. The commission is payable to SurreyLets for this introduction whether or not the Tenancy is duly finalised by SurreyLets.

SurreyLets charge commission at an agreed percentage of the gross monthly rental income stated in the Tenancy Agreement and will be payable on commencement of the Tenancy from the first months rental collected by the Agent. Should the amount be greater than one month's rental the balance will become immediately payable by you.

SurreyLets charge the Tenant Find fee for the duration of the Let.

The commission is non refundable in the event of an early termination.

SurreyLets will take internal and external photographs of your property and you agree for the usage of these on property portals and in advertising your property.

SurreyLets will carry out stringent references of prospective tenants and where appropriate carry out a financial credit check using an independent referencing agency.

SurreyLets will negotiate the terms of the Tenancy Agreement on your behalf and draw up the Tenancy Agreement in accordance with current Housing Act legislation and insert any applicable extra clauses as necessary. The fee for this is £120.00 plus VAT.

SurreyLets will collect the first months rental and tenants security deposit at the commencement of the Tenancy.

SurreyLets will place upon request your Tenants Security Deposit with the DPS (Deposit Protection Scheme). SurreyLets charge an administration fee of £30.00 plus VAT per tenancy for this service.

## Rental Collection

SurreyLets will carry out all services noted in the Tenant Introduction Service plus:

SurreyLets will arrange for your tenants to pay the monthly rental by electronic transfer to SurreyLets in accordance with their Tenancy Agreement and after the deduction of fees the balance will be transferred to your nominated bank account.

SurreyLets will charge a monthly commission of the rental collected on a monthly basis for this service for the duration of the let which is in addition to the agreed Tenant Finding Fee

SurreyLets agree to set up an electronic payment method with your tenants. In all cases we make every effort to process your account in a timely manner. However SurreyLets cannot be held responsible for any charges incurred by you in the event of late payment irrespective of circumstances.

SurreyLets will arrange for a statement of account to be sent to you monthly.

SurreyLets strongly recommend Clients to insure against the non payment of rental as SurreyLets cannot be held liable for any tenants defaulting on their rental obligations

## Gas Safety Regulations

It is a Landlords statutory obligation to provide a Gas Safety Certificate for all tenancies where is gas in the property. Upon request, SurreyLets are able to arrange for the annual Gas Safety Certificate to be carried out in a timely manner the cost of which to be deducted from your rental account unless otherwise instructed by you.

## Tenancy Extensions

SurreyLets will negotiate with the current tenants an extension of the tenancy at the end of the fixed term at the prevailing market rental unless otherwise instructed by you. The duration of the tenancy for the purpose of these Terms of Business is the period stated in the Tenancy Agreement including any extensions to the Agreement.

## Fully Managed Service

SurreyLets will carry out all the obligations detailed in the Rent Collection and Tenant Introduction Service and in addition shall undertake the following:

- **Routine Property Visits**  
SurreyLets will conduct a property inspection on Fully Managed properties on a periodic basis in order to provide you with a written inspection report. This is a visual walkthrough of the property to detail the property condition and make any recommendations for routine work to be carried out.
- **General Maintenance**  
SurreyLets will organise any required routine maintenance on the property subject to your prior approval where possible. SurreyLets do not charge for routine work to be carried out or engage in contractor claw back schemes.

SurreyLets will instruct emergency work at the property without prior instruction if a situation arises out of normal business hours or where we are unable to contact you. You agree to indemnify SurreyLets against any expenditure incurred whilst undertaking essential emergency repairs.

General Maintenance of a property includes dealing with routine property management issues that may arise. It does not include the installation of new gas services and boilers, electrical rewiring or updating kitchens and bathrooms. We are happy to arrange such work but a 10% (plus VAT) charge of the cost of the works will be levied as a work arrangement fee as this does not fall under routine management.

- **Signing of Agreements**

You authorise SurreyLets Ltd to sign a copy of the tenancy agreement on your behalf

## **Instruction of third Parties**

SurreyLets use approved contractors who are carefully vetted by us and copies of public liability insurance and professional memberships are held on file. SurreyLets do not accept any liability for any loss or damage to any property fixtures fittings or contents arising from the instruction of a contractor. SurreyLets will use your contractor at your request on the proviso that your contractor can attend to maintenance in a timely manner and adheres to professional conduct in corresponding with your tenants. The instruction of your own contractor is entirely at your risk and it is your responsibility to ensure the contractor instructed holds the correct professional memberships and holds adequate insurance.

## **Termination of Tenancy**

SurreyLets will make the necessary arrangements for the termination of the Tenancy including a check out with an inventory clerk. The tenants will be checked out against the original inventory document prepared at the tenancy commencement. The cost of the check-out is usually the responsibility of the tenant unless otherwise agreed or rent arrears exceed the amount held in the deposit.

Cost: The Fully Managed Service is 5% plus VAT taken monthly from rental received for the duration of the tenancy in addition to the agreed Tenant Finding Fee.

## **General Terms**

There is no expiry date of these Terms of Business and these may be transferred to another Let or Property. Should SurreyLets wish to alter or amend these terms we may do so by giving 3 months notice provided that any alteration or amendment is subject to your written agreement.

SurreyLets company policy is to not issue a refund when a tenancy is ended prior to the end of a fixed term period but will pro rata the fee to another Let should SurreyLets relet the property.

SurreyLets reserve the right to cancel these Terms of Business with immediate effect if you are in significant breach of these Terms of Business.

## **Tenants Security Deposit**

Legislation dictates that all Tenants Deposits are to be protected. SurreyLets will arrange for your tenants deposit to be held in either one of the custodial or insured schemes available. Any charges incurred will be passed on to you at cost. Your SurreyLets representative will discuss the options available to you at the time of consultation. If you the client wish to hold the deposit and register it directly with one of the schemes SurreyLets advise you to notify the tenant of the scheme within 14 days of the commencement of the let.

Whilst the DPS is a free service to Landlords and Tenants, SurreyLets charge an administration fee of £30.00 to cover the administration of filing the deposit and authorising the release of the deposit at the end of tenancy.

Should the deposit be in dispute at the end of tenancy and should files be required to be submitted to the DPS a charge of £50.00 will be levied to cover costs.

## **Clients Responsibilities**

You agree to comply with the Estate Agents Act 1979 which states you must disclose if any relationship exists with any member of SurreyLets personnel. This disclosure must be in writing and presented to a Company Director. You must keep SurreyLets informed at all times of your current contact details including full address and at least one current telephone number where we may contact you in emergency. You agree to make arrangements for postal direction prior to the commencement of the first Tenancy as SurreyLets cannot be held liable for delivered mail once you vacate.

## **Consents**

You agree to obtain written consent from your mortgage lender to let the Property.

You agree to gain written consent from the freeholder to let the property and a copy of this notice should be made available to your tenants at tenancy commencement. You are responsible for obtaining any licence to let that is required.

You agree to inform your Buildings and Contents supplier of your intention to let in recognition that it is your liability to hold adequate Buildings and Contents insurance, including third part and occupier's liability. You should ensure your insurance cover you for malicious damage by a tenant. Failure to inform your insurer that you are letting may invalidate your cover.

## **Erection of a To Let board**

You authorise SurreyLets to erect an advertising board at the property unless we are otherwise notified in writing. A board will be placed at extensions of the agreement if the property is managed.

## **Interest**

All monies received and held by SurreyLets will be done through the SurreyLets Client Account on which no interest is paid.

## **Keys**

You agree to make available a full set of keys to SurreyLets to commence marketing to enable SurreyLets to conduct accompanied viewings. Should the set of keys be held by an existing agent you consent to us obtaining a copy set.

Should the property have been marketed multi-agency and upon tenants move in we are required to collect keys from other agents a collection fee of £20 will be charged plus business mileage.

## **Compliance with Current Lettings Legislation**

You agree upon signing these Terms of Business to comply at all times with the following:

- Gas Safety (Installation & Use) Regulations 1998 as amended. The Furniture and Furnishings (Fire)(Safety) Regulations 1988 – as amended 1993. On signing these Terms of Business you declare to SurreyLets that all upholstered furniture or furnishings supplied in the property to let complies with the Furniture and Furnishings (Fire)(Safety) Regulations 1988 – as amended 1993.
- The Electrical Equipment (Safety) Regulations 1994. These regulations require that all electrical equipment supplied must be safe to use. Whilst there is no mandatory requirement for equipment to undergo any safety testing Landlords have a duty of care to ensure that all electrical equipment is safe. Whilst there is no mandatory requirement for Landlords to have the electrical equipment or wiring

checked, SurreyLets recommend to all Landlords to have a periodic inspection report for an electrical installation carried out. Landlords should be aware that whilst there is no mandatory requirement for testing non compliance of The Electrical Equipment (Safety) Regulations 1994 carries severe penalties and the possibility of a prison sentence.

- The Sex Discrimination Act 1975
- The Disability Discrimination Act 1995
- The Race Relations Act 1976
- Plugs and Sockets (Safety) Regulations 1999. These regulations require that plugs and sockets in the property are safe and do not cause a danger and are compliant with current safety standards.

## EPC

You agree to provide SurreyLets with an Energy Performance Certificate for the purpose of marketing the property.

## Legionnaires Risk Assessment

You agree to provide SurreyLets with a risk assessment or sign a disclaimer. Should SurreyLets be managing the property this will be carried out unless a disclaimer or certificate is provided.

## Tax

### UK Resident

If you are residing in the United Kingdom during the tenancy your income from the property is treated as unearned income and you will be taxed like any other investments. It is your responsibility to seek advice regarding your tax through your accountant.

### Non UK Resident

SurreyLets are legally bound to comply with the Taxes Act 1988 section 42a The Taxation of Income from Land (non-residents) Regulations 1995. HM revenue and Customs will contact you with an exemption/approval number which must be given to us with a copy of your letter from HM Revenue and Customs prior to letting the property with a copy of the exemption number SurreyLets are able to pay your rental to you without making any deductions for tax. It is then your responsibility to deal with your tax returns in the usual way. Should exemption not be received and your contact address for SurreyLets purposes are overseas. SurreyLets are obliged by law to deduct tax at the basic rate from the rents received and pass this over to HM Revenue and Customs on a quarterly basis. It may be that payments made to HM Revenue and Customs exceed your liability however it will be your responsibility to claim back any overpayments from HM Revenue and Customs directly at the end of the tax year when you complete your Self Assessment Tax Return.

## FEES

- SurreyLets minimum total fee calculated over the term of the tenancy is £750.00 plus VAT This does not take into consideration any fees for providing the Rent Managed or Fully Managed Service or any administration fees.
- SurreyLets commission charge for the Tenant Introduction Service is 5% plus VAT for sole agency 8% plus VAT for joint agency, of the gross monthly rent for the initial fixed term of the tenancy. This is non refundable in the event of an early break.
- SurreyLets commission charge for the Rent Collection Service is 2.5% plus VAT in addition to the agreed Tenant Introduction Fee, of the gross monthly rent for the entire duration of the tenancy and any subsequent extensions to the Agreement.
- SurreyLets charge for Full Management is 5% plus VAT in addition to the agreed Tenant Introduction Service Fee, irrespective of whether the tenancy was finalised through SurreyLets Ltd

- v) Should you verbally accept an offer from prospective tenants that you subsequently withdraw from once administration has commenced SurreyLets will levy an administration fee of £400.00 plus VAT.
- vi) The cost of a Tenancy Agreement is £120.00 plus VAT
- vii) **2015 Special offer - 10% Full Management.** SurreyLets commission charge for the Fully Managed Service is 10% of the gross monthly rental for the duration of the let and is collected monthly or quarterly from rental payments received. Please note that the tenant find element (discounted to 5%) will be taken up front for the term and 5% taken monthly
- viii) If SurreyLets are required to attend court to make representation for a Landlord the cost is a daily rate of £250.00 plus VAT or £50per hour plus expense's.

## **VAT**

VAT is chargeable at the prevailing rate as set by HMRC

## **Inventory**

SurreyLets use the services of an independent inventory clerk for the purpose of check-in, check-out, making of the initial inventory and updating inventories. The cost of all inventory work with the exception of the check-out is at cost to you. Prices for these services are dependent on the size of the property and level of furnishings. Where possible SurreyLets will take the fee from initial monies collected from the tenant, however in the event of their being a shortfall in monies due you agree to pay the inventory company directly.

## **The sale of a property to a tenant**

Should your tenant decide to purchase the property, SurreyLets are happy to handle the sales progression for you to ensure a smooth sale. SurreyLets will charge 0.5% of the purchase price in the event of a tenant subsequently purchasing the property.

## Clients Declaration (To be signed and returned to the agent)

It is important that you fully understand the Terms and Conditions of these Terms of Business as once signed it is a legally binding document that you will be bound by. By signing these Terms of Business you declare that you are the legal owner of the property named below. If you are signing with Power of Attorney this should be attached to this document.

- Tenant Introduction sole agency 5% plus VAT for the duration of the agreement
- Tenant Introduction joint agency 8% plus VAT for the duration of the agreement
- Rental Collection 2.5% plus VAT plus the Tenant Introduction Fee for the duration of the agreement
- 2015 - 10% plus VAT Full Management Special offer for the duration of the agreement
- Management only (where undertaken mid tenancy) 5% plus VAT monthly for the duration of the agreement
- Tenancy Agreement £120 plus VAT
- DPS Administration at £30.00 plus VAT
- Negotiation for end of Tenancy Disputes (inc in Management service) £50.00
- Rental insurance @£100pa per tenant required (Subject to change by insurers)
  
- I give SurreyLets consent to sign the Tenancy Agreements on my behalf

Name of Landlord \_\_\_\_\_

Address of Landlord \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact numbers Home \_\_\_\_\_  
Work \_\_\_\_\_  
Mobile \_\_\_\_\_

Email address \_\_\_\_\_

Address of Property Let \_\_\_\_\_

Signed \_\_\_\_\_

Date \_\_\_\_\_