

FULL- MANAGEMENT SERVICE

36 This agreement will end immediately if you withdraw your instructions before we find a tenant. Once we find a tenant who meets the conditions we and you have agreed, you must pay us the agreed commission. Once the tenancy agreement has ended, this agreement continues until either the tenancy ends or we or you give the other three months notice in writing, sent by first class recorded delivery to the address shown in this agreement (or any other address we or you give). **If we or you break this contract, and the matter cannot be sorted out, we or you can end this contract immediately. Examples of this would include when you fail to carry out repairs within a reasonable time or otherwise expose us to financial or other risks, and we do not give you any money you are entitled to.**

37 We have the right to change the conditions of this agreement by giving you two months notice in writing of the change and the date that change will be made. **If this agreement ends, you will be entitled to copies of the documents we have on file if you pay 15 pence for every A4 page photocopied, as long as you have paid our agreed fees in full.**

38 You will have to pay our reasonable expenses if you do not deal with the issues raised in paragraphs 4 to 11, or if you let the property through another agent without telling us, and we have also found a tenant for you. You will also have to pay our fees if you offer a tenancy to anyone we have introduced to the property. If you withdraw this instruction, and we have had to return an administration charge to a possible tenant as a result, you agree to repay us that administration charge.

39 **The tenancy deposit:** We are members of The Tenancy Deposit Scheme, which is administered by: The Dispute Service Ltd. PO BOX 1255, Hemel Hempstead, Hertfordshire, HP1 9GN Tel: 0845 226 7837, Web: www.thedisputeservice.co.uk Email: deposits@tds.gb.com Fax: 01442 253 193

We shall hold the deposit under the terms of the Tenancy Deposit Scheme.

At the end of the tenancy, 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 of the balance of the Deposit according to the conditions 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. If, after 10 working days* following notification of a dispute to us and reasonable attempts having been made in that time to resolve any differences of opinion, there remains an unresolved dispute between the Landlord and the Tenant over the allocation of the Deposit, it will be submitted to the Independent Case Examiner (ICE) for adjudication. All parties agree to co-operate with any adjudication. When the amount in dispute is over £5,000 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. The statutory rights of either you/the Landlord or the Tenant(s) to take legal action against the other party remain unaffected. 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. Because it is a condition of the Tenancy Agreement signed by both parties, judges may 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. 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 as member agents.

We must co-operate with the ICE in the adjudication of the dispute and follow any recommendations concerning the method of the resolution of the dispute. *These time scales can be changed by agreement with the tenant in individual cases or by the contract used as standard by the agent.

We have the right to transfer this agreement, as long as your rights are not significantly affected. I agree to the terms and conditions above and confirm that I have has the opportunity to get legal advice about my responsibilities under this agreement.

Your signature

Signed on behalf of agent.....

Date:/...../.....

Date:/...../.....

Residential lettings service agreement

FULL- MANAGEMENT SERVICE

This agreement is between:

1. Us, Montrose Properties (the agents) and
2. You, (the landlord) **It starts on**/...../.....

1 This agreement sets out the conditions under which we will advertise your property and find a tenant for you. It sets out the services we will provide as part of our full management service. It includes properties listed in schedule A of this agreement and any other properties which you give us the keys to.

2 By law, once you sign this agreement you must keep to its conditions. Please contact us if you want us to explain any of the term in this agreement, or you may ask for independent advice before signing this agreement.

3 Various acts of parliament cover letting property. As professional letting agents, we must tell you about the acts and make sure you follow them before we can let your property. We will explain these to you in this agreement

4 We also have a duty to the tenant to make sure that you and we are legally entitled to offer them a tenancy. If you have a mortgage, you may need to get your lenders permission before letting the property. If there are joint owners, you must tell us who they are, and we need their permission in writing before we can act for you.

5 Under the **Consumer Protection Acts**, the property must be fit for someone to live in when you let it. As part of our service, we will inspect your property and tell you about anything we feel may not meet those laws. If we feel that any repairs need to be done, we cannot let the property until the repairs have been completed.

6 All furniture and soft furnishings you provide as part of the tenancy must meet the **Fire and furnishing Regulations 1988**.

7 Under the **gas safety Installation and use regulations 1994**, you must have a valid gas – safety certificate for the property before the start of the tenancy. You need to give us a valid certificate before the start of the tenancy; we can arrange this for you. There will be an extra charge for this.

8 **The Low Voltage Electrical Equipment (Safety) Regulations 1989 and Electrical Equipment (Safety) Regulations 1994** deal with the safety of electrical appliances and wiring. **Although you do not have to meet these regulations by law, if our policy says you must follow these, we will tell you before you sign this agreement.**

9 We strongly recommend that you tell your insurers when we let the property for you. You should get specific advice from an insurance professional about insurance cover that makes sure that you and we are not responsible if the tenant or any visitors are injured in the property. You should get advice about all other insurance needs from an insurance professional before you let your property. We do not provide advice on insurance matters, and you are responsible for making sure that you are covered for all events. Our tenancy agreement says that you are only responsible for your tenant's belongings if they are damaged as a result of your actions.

10 If there is a garden you need to tell us how you expect the tenants to maintain it. We need to make sure that this becomes a condition of the tenancy. We suggest the following options.

- The garden must be maintained according to the time of year. We recommend this if there is not much garden and it just needs to look tidy.
- The tenant must mow the lawn, trim the hedges and weed the garden regularly. We recommend this if there is a lawn and some hedges. You must provide the garden tools the tenant will need for this, have a residual current device-protected electrical supply (an electrical supply with a circuit breaker to prevent electrocution) and provide safety gloves.
- You provide a gardener and pay the cost of this. We recommend this if the gardens are landscaped. The Office of Fair Trading says that tenants do not have a long-term benefit from the garden, so you should pay the greater share of the cost, as you get the long-term benefit.

11 You need to tell us if there are any restrictions in your lease or freehold documents, for example, conditions preventing you from parking caravans or commercial vehicles on the drive. Some may prevent you from letting the property, or restrict the age of the tenant. If you do not tell us about these restrictions, and a tenant then leaves because of them, you will still be responsible for our fees and may have to pay the tenant damages.

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- 12 When we are ready to advertise the property, we will use our database of possible tenants, advertise the property on our website and various internet property portals, including twitter and facebook, and put the details in our window. We will do any or all of these depending on market conditions.
- 13 We will give you advice about the rent you are likely to get for the property, and agree a rental figure at which we will advertise the property.
- 14 We will show possible tenants around the property. You must give us keys to all parts of the property to allow us to do this.
- 15 You must tell us about any items that are currently in the property but which will not be included in the new tenancy. If you have any items in the garden that are valuable or sentimental value to you, we advise that you remove them before we show people around.
- 16 You must tell us beforehand about any tenants you may not want, for example, smokers, people with pets, and people on Housing Benefit and so on.
- 17 When we find a suitable tenant, we will contact a credit reference agency to make checks about them and their guarantor where applicable (a person who will promise to pay their rent if they fail to do so). The agency will search to see if the tenant has any County Court Judgements against them and that they are on the electoral roll at the address they have given us. **Please remember that references give details of their past behaviour. They do not guarantee that the tenant will pay their rent in the future.** We will also get proof of their current earnings, and ask their employer to confirm that their employment is likely to continue for as long as the tenancy lasts. **We will not be responsible for any tenant references as long as we have acted with reasonable care and skill in carrying out our responsibilities under this contract.**
- 18 We will tell you when we find a suitable tenant and ask you for instructions about the length of tenancy you want us to offer them, and the date you want the tenancy to start. We will prepare an assured shorthold tenancy in line with your instructions, and get all the tenants to sign it. You give us permission to sign all legal documents in connection with matters arising from the tenancy agreement on your behalf, **except possession summonses.**
- 19 When we have found a tenant, we will prepare details of the condition of the property and a list of its contents. You should get professional advice about insuring the contents. We will tell you our charge for this at the time. You should remove from the property any items which have sentimental value to you, and any items which are not included in the tenancy before we start showing tenants around the property.
- 20 We will take the first months rent in advance and at least one months rent as a deposit. The tenancy will start when this has cleared in our bank account. We will hold the deposit as stakeholders. The deposit is held in a **tenancy deposit scheme**, and we will give you details of that scheme at the end of this agreement. We will also provide details of the scheme and other information (as needed by law) about refunding the deposit at the end of the tenancy. We are charged a fee for deposit we take and we have to pass those fees on to you. We will explain the fees before we start advertising the property. **If we take a HOLDING DEPOSIT, and the tenancy then does not proceed, the deposit will be shared between us equally to the point of our provable losses, any surplus being returned to the tenant.**
- 21 Once the tenancy starts, we will arrange to read any gas and electric meters, and keep on record to inform the utility companies when required. We will inform the water company and Council Tax department of the new tenant's details.
- 22 We will collect the rent from the tenant as agreed in the tenancy agreement and pass the rent on to you monthly. We will pay this direct to your chosen bank account. If you do not live in the United Kingdom, we must take off income tax at the basic rate, unless you have registered with the HM Revenue & Customs non-resident landlord scheme.
- 23 Periodically we will inspect the property and report to you on its general condition. If we cannot get in to the property we will tell you and recommend that you end the tenancy. If our inspection reveals that repairs need to be carried out, we will arrange for these to be done. You agree to allow us to spend up to £250 without having to consult you. We will give you full details of any spending we make on your behalf.

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- 24 We recommend that you give us contact details for yourself at all times. If a repair becomes necessary and we don't have the authority for the work to be carried out (because it would mean spending more than £250), we will need to contact you. If we can't contact you and the cost of doing nothing is higher than the cost of taking actions, we may have to spend more than £250. In that case, you agree to pay back the amount we have spent. We will do our best to make sure that you lose as little as possible. If we have to wait in the property to deal with any repair issues because you cannot be there, we will make a charge. We will tell you what that charge is before you instruct us.
- 25 If the tenant breaks any of the conditions of this agreement, we can prepare a Section 8 Housing Act 1988 notice. However, you will have to take any further legal action. If the tenant is late paying the rent, we will write to them once the rent is seven days late. If we do not receive a satisfactory response to that letter, we can issue a Section 8 notice.
- 26 If you want the tenant to leave the property at the end of the agreement, we can prepare a Section 21 Housing Act 1988 notice and give it to the tenant. You will have to take further legal action.
- 27 At the end of the initial tenancy agreement we will allow the tenancy to continue on a periodic tenancy. The tenant can give notice to quit by giving at least one months notice and we can give the tenants a minimum of two months notice to quit. There is no extra charge for this. We can also renew the tenancy for a further fixed period. If the tenancy is going to be renewed, we will prepare a new assured shorthold tenancy agreement in line with your instructions. Our charges for this £75 plus VAT. There is no charge for this if you choose our management plus service.
- 28 At the end of the tenancy, we will check the condition of the property and the list of items included with the tenancy. We will make allowances for fair wear and tear. If any items have been damaged, we will negotiate with you and the tenant an appropriate figure to compensate you for your loss. By law (**Human Rights Act 1988**), if you and the tenant cannot agree the appropriate figure for compensation, as agents we have to keep the figure in dispute until the matter has been settled in line with the adjudication procedures of the tenancy deposit scheme we have joined. We will then pay the amount to the scheme, who will then decide how to return it. If there is a disagreement, we will return the amount of deposit not affected by the agreement to the tenant. Our fees for this are £50 plus VAT.
- 29 At the end of the tenancy, we will read the gas and electric meters, and ask the tenants to tell the utility companies (gas, electric, water and phone companies) and the Council Tax department that the tenant has moved out. We will ask the tenant to provide proof of the final accounts before refunding any deposit, although we cannot insist on this. We will inform the utilities and Council Tax department where required. When the tenant leaves we will secure the property.
- 30 You agree to pay our fees and expenses in full within seven days of receiving a demand for payment. You also agree to repay us if we received Housing benefit payments for your tenant but then the local authority decides those payments have been overpaid and we have to repay them to the local authority. You also agree to pay our reasonable costs and fines if we are prosecuted for managing a house in multiple occupation because you have not got a license where one is needed, unless this was our fault.
- 31 You agree to pay us any legal costs and damages we suffer as a result of you breaking any of your responsibilities as landlord.
- 32 You agree that if you sell the property, you will give us three months notice so that we can arrange all matters in connection with ending our management of the property.
- 33 You agree to pay us the above fees throughout the tenancy agreement granted to the tenant.
- 34 When the property is empty, we are not responsible for inspecting it. As a condition of your insurance, the property may need to be inspected regularly. We can do this for you if you ask us to but there will be a fee for this.
- 35 Our fees for this **full management service are**% of the gross rent (before deductions) for the period of the tenancy, and as set out in our charges schedule we will take the fees from the money we receive from the tenant, and send you the balance monthly. We will add VAT at the rate that applies at the time.