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R Charles Property Management Ltd – Lettings and Management Agreement

This Lettings and Management Agreement (the “Agreement”) is entered into between:

‘the Landlord’: (Landlord Full Name)

of;

correspondents address: (Landlord Address)

and

‘the Manager’: R Charles Property Management Ltd

of;

correspondents address: (Company Address)

to

manage/source a tenant/additional services for: (The Property Address)

commencing: (Date Commencing DD/MM/YYYY)

for: (Period of Months)

termination: (Date Terminating DD/MM/YYYY)

This Agreement is made between the Landlord of the Property and the Manager, who agree to act for the Landlord. The purpose of this document is to set out clearly the extent of the letting and management service offered and scale of the fees charged. The terms of this Agreement will constitute a binding legal document.

DEFINITIONS

We need to use some legal terms in this agreement. By providing this list of definitions we aim to help explain some terms that you may find in this agreement. It is not intended to be an exhaustive list and in the event of a dispute, only the Courts can decide on a definitive interpretation or meaning of any term or clause.

Agreement:

This refers to the legal contract between the Landlord/Owner and the Agent/Manager/Company.

Manager:

R Charles Property Management Ltd, or any other duly authorised person employed by the company, as notified to the tenant who is acting from time to time on behalf of the Landlord.

Building:

If the property is part of a larger building, such as a flat in a block of flats, this term means that building and any of its grounds.

Contents or Fixtures & Fittings:

Any furniture, furnishings, carpets, sanitary ware (toilet bowls, cisterns, baths, basins, showers and other fittings), decorative features, electrical equipment including TVs, intercoms, routers, phones, etc, kitchen appliances, other equipment or any floor, ceiling or wall coverings and including anything listed in any inventory we supply that belong to the Landlord.

Deposit:

(also known as the 'security deposit', 'damage deposit' or 'bond') The deposit is a sum of money you pay to the Landlord (or the Agent) in case you fail to keep to any of the terms of this agreement. Either the Landlord or a deposit protection body will hold the deposit money during the tenancy, as confirmed in Section 5 of this Agreement. You will not be entitled to receive any interest on the deposit during the tenancy.

Fair Wear & Tear:

This is the deterioration in the condition of the property and its contents which occurs naturally as a result of being lived in and used in a reasonable and legal manner. The amount of wear & tear in a property which will be considered fair will depend on a number of factors including the age of the property and its contents, the length of time the property has been lived in by the tenants, the number and age of the people allowed to live there and whether the landlord has allowed pets and/or smoking.

Fixed Term or Term (of the tenancy):

This is how long this particular part of your tenancy lasts as set out in this agreement. The fixed term will be for a set number of months and will be binding on the Tenant and the Landlord unless it contains a Break Clause.

Inventory and Schedule of condition of the property:

The document prepared by or on behalf of the Landlord, at his/her expense, showing details of the property's fixtures, fittings, furnishings, equipment and so on, including the condition of the premises in general as drawn up prior to the commencement of the tenancy. The inventory will be relied upon at the end of the tenancy to assess any damage (other than reasonable wear and tear). See clause 4.3 for details.

Landlord:

(also referred to as 'we' or 'us' or 'owner'). This includes the person/people who own the premises. If the Landlord changes (e.g. if the property is sold or the Landlord dies) and the property passes to someone else, you will be notified of the details of the new owner. This will not change your rights or your obligations under this agreement. The only difference being the identity of your Landlord will have changed.

Legislation:

Legislation means:

- a) United Kingdom Legislation
- b) European Union Legislation
- c) All decisions, directives, instruments, orders, regulations, and rules deriving from the Legislations at points (a) and (b).

Masculine/feminine and singular/plural:

Any reference to either gender includes the other and any reference in the singular shall include the plural.

Month:

Means a full 'calendar' month (e.g. 15th January to 14th February), not just four weeks.

Property:

This includes any parts of the house or flat, gardens, paths, fences, boundaries or other outbuildings or parking spaces that belong to this property and which form part of the tenancy. When the property forms part of a larger building, the tenancy includes the right for you to use communal areas & facilities, shared access and other similar facilities of the building, subject to their own terms & conditions.

Stakeholder for the Deposit:

This means that the person or the third-party protection body holding your deposit can only take money from your deposit if you agree, or if a County Court or a deposit protection assessor orders it.

Stamp Duty Land Tax (SDLT):

With effect from 01st December 2003, the responsibility for paying any SDLT liability that may become due on a Tenancy Agreement rests solely with the Tenant. This is a legal obligation and the Inland Revenue may impose fines or penalties for failure to comply. More information and guidance can be obtained from www.inlandrevenue.co.uk.

Tenant:

This refers to the named tenants within the property on singular AST's.

Term (of the tenancy):

This is the whole duration of your stay at the property, which may be longer than the Fixed Term set out in this agreement and will include any extension, continuation or periodic tenancy.

Year:

This means a 365-day period (e.g. 01 January to 31 December inclusive).

Retained Expenditure Limit:

This refers to the amount the Manager shall pay for services included within the Agreement relating to maintenance and repairs.

R Charles Property Management Ltd:

This is R Charles Property Management Ltd (13601879), 20-22 Wenlock Road, London, NG1 7GU.

Tel: 01582 363 260

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1.0 GENERAL AUTHORITY

- 1.1 The Landlord confirms that he/she is the sole or joint legal owner of the Property and has the right to rent out the Property under the terms of the mortgage and/or head lease. The Landlord confirms that appropriate permission to let out the Property has been obtained from the Bank/Building Society or other lender.

2.0 APPOINTMENT

- 2.1 The Landlord appoints the Manager to act on his/her behalf and to do anything the Landlord could do himself in respect of the letting and management of the Property for the duration of the Agreement and undertakes to ratify everything done by the Manager in good faith and to indemnify the Manager against all expenses, claims and liabilities incurred by the Manager in the proper performance of the Manager's obligations under this Agreement. To enable the Manager to carry out his duties effectively, the Landlord agrees to respond promptly with instructions to requests/correspondence received from the Manager.
- 2.2 By this appointment the Manager shall be entitled to take such action as it considers reasonable and necessary in providing the Services for the proper management of the Property, including and without limitation:
- 2.2.1 Authority to enter into agreements with third parties which contractually bind the Landlord on all matters relating to the Services whether on a permanent, temporary or a one-off emergency basis; and
- 2.2.2 Instructing solicitors to issue and/or defend proceedings in the name of the Landlord and on the Landlord's behalf.

3.0 SERVICES TO BE PROVIDED BY THE MANAGER / FEES

- 3.1 Subject to receipt of the Letting Fee, the Manager will perform the Services set out in Schedule 1 on the Landlord's behalf. The standard fee for management of the Property is taken as a percentage of the gross rents due for the period of the Tenancy.
- 3.2 The Manager's fees are set out in Schedule 2. Upon receiving a written request from the Landlord, the Manager may agree to provide Additional Services if required for an Additional Charge as agreed with the Landlord.
- 3.3 The Landlord authorises the Manager to carry out the Services itself, or by appointing a subcontractor on its behalf subject to the matters referred to in clause 18.0.

4.0 CONDUCT OF THE LANDLORD

- 4.1 The Landlord will complete the Landlord Checklist attached at Schedule 3 prior to signing this Agreement.
- 4.2 The Landlord will not attempt to market the Property for sale or letting or agree to sell or let the Property during the term of the Agreement. Upon instruction R Charles Property Management are appointed as sole Manager to sell or let on the Landlord's

behalf. The appointment of R Charles Property Management Ltd to sell the Property will be subject to the R Charles Property Management Ltd terms and conditions of sale. Our sales 'Agency Agreement' is attached to Schedule 4.

- 4.3 The Landlord must not issue any instructions to the Manager that would place the Manager in breach of the terms of the leases, relevant legislation/laws, ARMA regulations, the Royal Institution of Chartered Surveyors (RICS) Service Charge Residential Management Code or any regulations relating to the management of the Property (as amended and/or superseded from time to time). The Manager will use its reasonable endeavours to ensure it provides guidance to the Landlord so as to avoid any risks of a breach occurring.
- 4.4 The Landlord must hold a Licence in order to let the Property and the Licence Holder cannot be based abroad. The Landlord can instruct R Charles Property Management Ltd to be the Licence Holder for an agreed fee and the application fee must be paid to the Manager in advance of the application being made.

5.0 THE LETTINGS PROCESS

- 5.1 The Manager will visit the Property to carry out a Market Appraisal to assess likely rental income. This Appraisal is not a formal valuation and cannot be used for re-mortgage or insurance purposes.
- 5.2 The Manager will market the Property at our office, on our website and on at least two internet property portals. A 'for rent' board will also be used if appropriate.
- 5.3 The Manager will accompany all prospective Tenants on viewings at the Property. The Landlord will provide the Manager with a set of keys to carry out viewings (including all fobs and clickers necessary to gain access to the Property. These keys will be securely held at the Manager's office.
- 5.4 Once instructed the Manager will retain the keys in order to perform their duties Letting and Managing the Property. This will also enable the Manager to gain access to the Property if there is an emergency.

6.0 HOLDING FEES

- 6.1 A holding fee will be taken from each prospective Tenant who wishes to rent a room within the Property. The purpose of this fee is to verify the Tenant's serious intent to proceed, and to protect the Manager against any administrative expenses (obtaining bank references, conducting viewings, re-advertising) that may be incurred should the prospective Tenant decide to withdraw the application.
- 6.2 The holding fee does not protect the Landlord against loss of rent, due to the Tenant deciding to withdraw or references proving unsuitable.

7.0 REFERENCING

- 7.1 The Manager will interview prospective Tenants and will obtain references (including employer and previous Landlord character references).
- 7.2 If necessary, the Manager will use a third-party referencing company to undertake additional checks and additional security can be requested by way of Guarantor.

8.0 INVENTORY

- 8.1 If necessary, the Manager will prepare a full photographic Inventory and contents list prior to the commencement of the Tenancy which will be signed by the Tenant at the start of the Tenancy. A standard inventory will include all removable items at the Property (unless of negligible value), carpets, paintwork, wall coverings, curtains, mirrors, sanitary ware and other items that in the Manager's opinion may get damaged during a Tenancy. It is an important record of the condition of the Property for the purpose of potential deposit disputes.

9.0 TENANCY AGREEMENT

- 9.1 The Manager will prepare an Assured Shorthold Tenancy (AST) agreement in the Manager's standard form. Where an AST is not appropriate a suitable alternative agreement will be used. The Manager is authorised to sign the Tenancy Agreement on behalf of the Landlord. If the Landlord or mortgagees require amendment of the AST, a fee for additional work may be requested (or the AST can be amended by the Landlord's own Advisor at the Landlord's expense).
- 9.2 The Manager will prepare a renewal agreement where it is agreed by both the Landlord and Tenant that the Tenancy will continue after the expiration of the fixed term. There is no charge if the Landlord chooses to allow the Tenancy to become periodic in which case the Tenancy will continue on the same terms as the original contract until either party gives notice.

10.0 TENANCY DEPOSITS

- 10.1 The Manager will collect a deposit from the Tenant (in addition to any rents due) immediately prior to/upon signing the Tenancy Agreement and will administer the funds in accordance with the Tenancy Deposit legislation currently in force. The purpose of the deposit is to protect the Landlord against loss of rent or damage to the property during the term of the Tenancy.
- 10.2 The deposit will be registered with the Deposit Protection Service (DPS) within 30 days of receipt and the Tenant supplied with proof of the deposit protection (known as the Prescribed Information) within the same 30 day time frame. Additional information can be found on the DPS website at <https://www.mydeposits.co.uk/>.
- 10.3 The deposit will be refunded to the Tenant at the end of the Tenancy less any agreed deductions.
- 10.4 The Landlord should notify the Manager if they wish a larger deposit to be held to protect against loss of rents or if insurance should be obtained.

11.0 COLLECTION OF RENT

- 11.1 The Manager will forward to the Landlord the monthly rent received less any Agency fees or expenses, contractor or associated costs incurred for the period. Payments will be made by cheque or BACS and a detailed rent statement will be provided.

12.0 NOTICES TO QUIT

- 12.1 Where the Tenant serves the correct notice to end the Tenancy the Manager will contact the Landlord for instruction.
- 12.2 It is agreed the Manager will serve notice on the Landlord's behalf to end a fixed term tenancy or during a periodic tenancy. This notice will be in the prescribed form.
- 12.3 If the Landlord wishes to terminate the Tenancy during a fixed term, the Landlord agrees to instruct a suitable Solicitor to prepare a Notice specifying the Ground(s) relied on as set out in Section 8 of the Housing Act 1988.
- 12.4 The Landlord will be responsible for all costs incurred in relation to the preparation of Notices and associated activities, including subsequent legal action if this is required.

13.0 LIABILITY FOR TENANT DEFAULT

- 13.1 The Manager cannot be held responsible for late or non-payment of rent by the Tenant(s), damage to the Property or any other associated legal costs incurred. It is recommended that an appropriate insurance policy is taken out.

14.0 LEGAL PROCEEDINGS

- 14.1 Where the Tenant does not pay the rent the Manager will contact the Tenant in the first instance. Where the Manager is unsuccessful in these initial actions, there are significant rent arrears or breaches of the Tenancy agreement, the Landlord will be advised to seek legal advice. Where the Manager is unable, after reasonable efforts, to contact the Landlord it is agreed that the Manager is authorised to instruct a Solicitor on the Landlord's behalf and the Landlord is responsible for payment of all legal fees and any associated costs.
- 14.2 The Manager is not responsible for collecting outstanding rent once the Tenancy has ended.

15.0 TAX FOR OVERSEAS LANDLORDS

- 15.1 When letting Property and collecting rents for Landlords overseas, the Manager is obliged by the Taxes Management Act (TMA) 1970 and the Taxation of Income from land (NonResidents) Regulations 1995 to deduct tax (at the basic tax rate) to cover any tax liability, unless the Landlord has been authorised in writing by the Inland Revenue to receive rent gross.
- 15.2 The Manager requests the Landlord appoints an accountant, in the absence of which the Manager reserves the right to employ a suitably qualified accountant to manage

correspondence with the Inland Revenue. A standard annual charge will be made for this work and reasonable administration expenses may be charged by the Manager for costs incurred in connection with such tax liabilities at the request of the Landlord, the Landlord's accountant or the Inland Revenue.

15.3 The Manager will not advise you in relation to tax.

16.0 COUNCIL TAX

16.1 Payment of Council Tax will usually be the responsibility of the Tenant(s) in the Property but the Landlord remains responsible for payment when the Property is empty, let as holiday accommodation, or as a house in multiple occupation (HMO).

17.0 UTILITIES

17.1 The Landlord will provide the Manager with details of the location of utility meters.

17.2 The Manager will record meter readings at the commencement and conclusion of the Tenancy (where they are reasonably accessible). The Manager will notify the relevant companies (electricity, gas, water) and authorities of change of occupancy. In some cases, the utility company (i.e. BT) require a formal authority direct from the new occupier and it will not be possible for the Manager to deal with this on the Landlord's or Tenant's behalf.

17.3 If necessary, the Landlord is responsible for informing all parties (i.e. banks, clubs, societies etc.) of their new correspondence address or putting in place a mail forwarding service, as Tenants cannot be relied on to do this.

17.4 The Landlord hereby confirms that they have authorised the Manager to take the following actions on behalf of the Landlord in connection with the supply of gas and/or electricity to each Property:

- a. to enter into contracts with an energy supplier selected by the Manager in connection with the supply of gas and/or electricity to each Property while that Property is vacant and to terminate any existing contracts with any other energy suppliers in respect of that Property;
- b. to engage with relevant energy suppliers in connection with the management and administration of any energy supply contract(s) in connection with each Property;
- c. to provide the Landlord's information (including any personal data relating to the Landlord and/or any of its officers, employees or agents) to and for use by any relevant energy supplier (and its agents, contractors and partners) for the purposes of processing any application that is made for the supply of gas and/or electricity to each Property and managing and administering any gas and/or electricity supply contract(s) in connection with each Property.

18.0 MAINTENANCE AND REPAIRS

- 18.1 The Landlord agrees to provide the Property to the Tenant in a good and lettable condition in line with their legal obligations under section 11 of the Landlord and Tenant Act 1985.
- 18.2 The Landlord agrees to make the Manager aware of any ongoing maintenance problems. The Landlord further agrees that the Manager may arrange and approve works up to the value of £250 for UK Landlords and £350 for overseas Landlords (“the Retained Maximum Expenditure limit”). This limit (or other amount as individually agreed) is the amount the Manager has authority to spend on any single item or repair, in any single monthly accounting period without prior reference to the Landlord. The reasonable costs involved will be debited to the Landlord’s account.
- 18.3 The Manager will administer any miscellaneous maintenance and repairs (“works”) on behalf of the Landlord using independent contractors. Where works exceed the Retained Maximum Expenditure limit the Manager will seek authorisation from the Landlord prior to instructing works, except in an emergency where there is risk of further damage to property, persons or life.
- 18.4 The invoices for works are the responsibility of the Landlord. (NB: The administration of major works or refurbishment will incur additional charges.)
- 18.5 The Manager endeavours to select competent tradesmen at a reasonable price but is unable to personally guarantee the standard of workmanship.

19.0 COMPLIANCE & SAFETY REGULATIONS

YOU MUST READ AND UNDERSTAND THESE OBLIGATIONS BEFORE SIGNING THIS AGREEMENT.

- 19.1 The letting of Property is now closely regulated particularly in respect of consumer safety. The Landlord is required to comply with the following:
- a) Energy Performance Certificate (EPC) – all buildings require an EPC which grades them on their level of energy efficiency. The Landlord must supply the Manager with a valid EPC prior to signing this Agreement (NB: from 1 April 2018 an F or G rating is not acceptable). If the Property does not have an EPC the Manager can commission this on the Landlord’s behalf. The Certificate is currently valid for 10 years.
 - b) The Immigration Act 2015 – the Manager will perform the necessary “The Right to Rent” checks on all adult Tenants prior to the commencement of a Tenancy. The Manager is only responsible for these checks for the duration of the Agreement. A follow-up check is required at the end of the Tenant’s permission to stay in the UK or 12 months after the previous check. If the Agreement is cancelled the Landlord will assume responsibility for future checks.
 - c) Gas Safety (Installation & Use) Regulations 1998 (as amended) – all rented Property with a gas supply must have a Gas Safety Certificate carried out prior to a Tenancy commencing and a copy given to the Tenant before they move in. A safety check must then be made annually by a Gas Safe Registered engineer and a copy issued to each existing Tenant within twenty-eight (28) days of the check being completed. The Landlord agrees to provide the Manager with a copy of the Gas Safety Certificate prior to the Tenancy start date.

- d) The Electrical Equipment (Safety) Regulations 1994 (as amended) – As a Landlord it is your legal responsibility to ensure that all mains electrical equipment (cookers, washing machines; kettles, toasters etc) in the Property are safe for the Tenant to use. This includes brand new appliances. The best way to demonstrate compliance is to have a PAT Test (Portable Appliance Testing) carried out by a qualified electrician. The certificate is only a legal requirement if the Property is an HMO. However, it is a criminal offence to knowingly supply unsafe electrical appliances and fixed wiring.
- e) The Plugs & Sockets etc. (Safety) Regulations 1994 – Under this Regulation any plug, socket, fuse-link or adaptor ordinarily intended for domestic use at a voltage of not less than 200 volts, must conform to the appropriate British standard. The Landlord is responsible for ensuring that the property is safe in line with Electrical Equipment regulations. The Manager can ensure these checks are undertaken prior to the commencement of the Tenancy on the Landlord's request.
- f) Legionella – a Landlord must carry out a risk assessment at the Property prior to letting especially if there are open water tanks, cooling systems or a swimming pool. The Manager requests that a copy of the written risk assessment is provided prior to signing this Agreement. By signing this Agreement the Landlord acknowledges his responsibility for the safety of the Tenant at the Property and confirms he has considered all risks regarding Legionnaires Disease.
- g) The Furniture and Furnishings (fire) (safety) Regulations 1988 (as amended in 1989 and 1993 – if the Property is provided furnished, each item of furniture must have a label to confirm it complies with the 'The Furniture and Furnishings Fire and Safety Regulations Act 1988'. There are some exceptions for antique furniture. All soft furnishings supplied with the Property such as mattresses, padded headboards and pillows, should also carry a fire-retardant label.
- h) Smoke Alarms - Under the Smoke and Carbon Alarms Regulations (2015) it is the Landlord's responsibility to ensure the Property possesses at least ONE working smoke detector per floor (ideally in the hallway or landing), battery operated or mains powered. The Manager will conduct a check on detectors at the commencement of the tenancy and during periodic inspections.
- i) Carbon Monoxide Monitors – Under the Smoke and Carbon Alarms Regulations (2015) Properties with a solid fuel source require a carbon monoxide detector. The Manager recommends all Property with a gas supply has a detector. The Manager will provide a suitable alarm and will conduct a check on the detector at the commencement of the Tenancy / during periodic inspections.
- j) Houses of Multiple Occupation (HMO) – the Landlord must register the Property as an HMO with the Local Authority. If additional compliance or a licence is required this will be the Landlord's responsibility. The Landlord agrees to provide the Manager with a copy of the HMO Licence prior to signing this Agreement.
- k) Selective or Additional Licensing Zones – the Landlord agrees to provide the Manager with a copy of the correct Licence for the Property prior to signing this Agreement. This includes Mandatory, Additional Selective or any other licensing applicable to the Property. The Manager can assist in obtaining a Licence on request.

20.0 INDEMNITY

20.1 The Landlord agrees to pay the Manager for all services provided and agrees to indemnify the Manager against any and all costs incurred whilst executing their duties as Manager as part of this Agreement. This will include reasonable expenses or penalties that may be incurred as a result of non-compliance in relation to clause 19.0 (a) to (k) above.

21.0 TERMINATION

21.1 This Agreement may be terminated by either party by way of three months' written notice. The termination date will be the date 3 months' after the date of the written notice.

21.2 A termination fee will be payable from the date of termination to the end of the existing Tenancy date. The fee is calculated as the agreed standard management fee multiplied by the period between the termination date to the end of the existing Tenancy date (pro-rata).

21.3 Where the Tenancy is periodic the additional termination fee will be calculated as three times the standard management fee.

21.4 The Manager may end this Agreement at any time if:

- a) The Landlord fails to pay the Managing Fee or any Additional Charges owing to the Manager within one calendar month of notice of the fee and charges being overdue (unless they are disputed) or
- b) The Landlord acts in a way that unreasonably prevents the Manager from performing its services under this Agreement and the Landlord has been notified.

21.5 Upon the termination of this Agreement, for whatever reason, the Landlord agrees to pay to the Manager all costs, contractor fees, expenses or penalties that have been incurred whilst executing their duties under this Agreement.

22.0 NOTICES

22.1 Any notice served pursuant to this Agreement shall be in writing and shall be duly given if sent by recorded delivery post or (outside the UK) by airmail to the other party at its address specified at the front of this Agreement or at such the other address as it may have notified for the purpose to the other Party.

22.2 In the interests of protecting the environment it is agreed between the parties that in relation to all other notices and/or requests given under this Agreement such notices/requests shall be effectively served if in writing and sent by email to the other Party.

22.3 The Landlord authorises the Manager to effect all communication with the Tenant by email on the understanding that each Tenant will be given the express right to opt into this form of communication.

23.0 INSPECTIONS

- 23.1 Under the Standard Management Service, the Manager will normally carry out periodic inspections. It is not the intention to check every item of the inventory at this time. The inspection is concerned with verifying the good order of the Tenancy (i.e. is the Property being used in a 'tenant-like' manner) and the general condition of the Property. This would normally include an inspection of the following: carpets, walls, main living areas, white goods and gardens. Where an issue is identified the Manager will usually undertake a second, more detailed inspection.
- 23.2 Following the departure of the Tenant(s), a final "check out" inspection of the Property is carried out by the Manager with reference to the original Inventory. The Manager will submit a report to the Tenant and Landlord in accordance with the rule of the Tenancy Deposit Scheme. Any deficiencies or dilapidations would be submitted to the Landlord together with any recommended or replacement values.
- 23.3 Testing of all the electrical appliances, heating system and plumbing will not be carried out during this inspection. A qualified contractor should be appointed for this purpose if required by the Landlord.
- 23.4 If the Property is empty for any period during the management term it is the responsibility of the Landlord to visit the Property to check on security and upkeep. In most instances Insurance Companies require all empty Property to be checked at regular intervals. If the Landlord requires the Manager to carry out these visits, a written request must be submitted to the Manager and a charge of £30 plus VAT per visit will be levied.

24.0 INSURANCE COVER

- 24.1 The Landlord shall be responsible for ensuring the Property is insured and that the insurance policy covers the situation where the Property is let (furnished or unfurnished) and the level of insurance cover and/or the risks insured are sufficient and/or appropriate.
- 24.2 The Landlord will provide the Manager with a copy of all applicable Insurance Policies.
- 24.3 The Manager would normally be responsible for the administration of any insurance claims arising during the period of management where the property is managed under the full "Standard Management Service" and will be subject to an additional charge for major works (see clause 18.0).

25.0 GENERAL CLAUSES

- 25.1 Instructions – it is agreed that any instruction to the Manager from the Landlord regarding termination, legal proceedings, major repairs, payment details or other significant details regarding the letting are to be confirmed to the Manager in writing.
- 25.2 Value Added Tax (VAT) – Manager fees are subject to VAT at the current rate (20%).
- 25.3 Housing Benefit (or since 2013 the housing cost element of Universal Credit) – the Landlord undertakes to re-imburse the Manager for any claims arising from over payment by the Local Authority of housing benefit or other benefit scheme, paid to or on behalf of the Tenant(s) as rent. This undertaking shall remain in force during the currency of the Tenancy and up to six years thereafter, whether or not the Manager continues to be engaged to let or manage the Property under this Agreement.
- 25.4 Void periods – the Landlord assumes responsibility for the Property during a void period. This responsibility extends to all services and utilities.
- 25.5 Selling to the Tenant – In the event that a Tenant, the Guarantor, or any person granted the benefit of the Tenancy purchases the Property which he/she has been renting within the last six months, or where the Manager has been involved with the negotiation of a sale of the Property, a commission of 1% plus VAT of the negotiated purchase price will be paid to the Manager. The fee is payable upon completion or on exchange of contracts where the completion is more than six months after exchange.

26.0 MANAGEMENT FEES AND ADDITIONAL CHARGES

- 26.1 The Management Fee is payable for the Services listed in Schedule 1.
- 26.2 Additional Charges are payable for any Additional Services requested orally or in writing by the Landlord.
- 26.3 The Landlord authorises the Manager to deduct at the relevant times (as and when applicable) the following sums from the Landlord's designated bank account:
- a) Management Fee;
 - b) Any approved Additional Charges;
 - c) Any other monies due to the Manager arising from or in connection with this Agreement.

27.0 HANDLING CLIENT MONEY

- 27.1 The Manager will open and retain a designated client bank account(s) in the Landlord's name for the receipt of all money due to the Landlord and the payment of expenses relating to the Property. All such monies shall be held in trust and in accordance with statutory and RICS regulations and guidance and for the benefit of the Landlord.

28.0 LIABILITY

28.1 The Landlord indemnifies the Manager against any and all claims made against the Manager by another party for any loss, injury, damage or legal or other expenses and all costs, expenses and liabilities (including legal costs) properly and reasonably incurred in performing the Services under this Agreement.

29.0 DISPUTE RESOLUTION

29.1 If any dispute arises out of this Agreement, the Parties will attempt to settle it by negotiation.

29.2 If the Parties are unable to settle any dispute by negotiation within 28 days from when the dispute was first notified to the other Party (or sooner if the Parties agree), either Party may refer the dispute to the Manager's Ombudsman scheme.

30.0 COMPLAINTS PROCEDURE

30.1 In the event that the Landlord is dissatisfied with any of the Services provided by the Manager under the terms of this Agreement the Landlord is referred to the Manager's Complaints Handling Procedure which is annexed at Schedule 4.

31.0 CONFIDENTIALITY

31.1 All information concerning the Landlord or Tenant(s) is confidential and will be held by the Manager in accordance with the provisions of the Data Protection Act 1998 (as amended by the General Data Protection Regulation).

31.2 Information will not be shared with any third party, unless the Manager is authorised by the Landlord or is required to do so by a court of competent jurisdiction or by a Governmental or regulatory authority or where subject to a valid and existing legal right, duty or requirement to do so. The restrictions in this clause shall survive the termination of this Agreement.

- a) registering the Landlord with the relevant Local Authority for the payment of council tax
- b) registering the Landlord with the incumbent water supplier to the Property. The water supplier may contact the Landlord in order to provide further information about its services and products and conclude an agreement with the Landlord for those services and products.

32.0 DATA PROTECTION

32.1 The Manager confirms its registration under the Data Protection Act and its compliance therewith in so far as the same relates to the provisions and obligations of this Agreement.

33.0 ENTIRE AGREEMENT

33.1 This Agreement supersedes all prior agreements, arrangements and undertakings between the Parties relating to the subject matter of this Agreement. All other terms and conditions express or implied by statute or otherwise are excluded to the fullest extent by law.

34.0 ACCEPTANCE AND VARIATION

34.1 By signing this Agreement the Landlord accepts the terms and conditions. These may be varied, amended or altered by the Manager at any time by giving the Landlord two months' notice in writing. The variations will be binding on the Landlord at the expiry of the two months notice period. If the Landlord is unhappy with the proposed changes the Landlord has the right to cancel the Agreement as set out in clause 21.0.

35.0 COOLING OFF

35.1 Where the Agreement is signed away from the Manager's office the Landlord has the right to cancel the Agreement within 14 days of the date the Agreement was signed. If the Landlord opts to cancel the Agreement, he/she agrees to pay the Agency reasonable costs for the works carried out at the point.

36.0 DECLARATON

36.1 Landlord Signature.

Print Name _____

Signature: _____

Dated: _____

36.2 Manager Signature.

Print Name _____

Signature: _____

Dated: _____

Schedule 1 – Services provided for by the Management Fee

	Services
1.	Market appraisal and advising as to the likely rental income.
2.	Advertising and generally marketing the property.
3.	Interviewing prospective tenants and taking up full references including employer reference or previous Landlord character reference. Where necessary, additional security would be requested by means of a guarantor.
4.	Preparing the Tenancy Agreement necessary for the Landlord to gain protection of the relevant Rent and Housing Acts, and renewing the Agreement where necessary at the end of the Term.
5.	Preparing a full photographic inventory and contents list.
6.	Liaising with a Landlord's mortgagees where necessary with regard to reference and Tenancy Agreement.
7.	Taking a deposit from the tenant to be held in a Regulated Deposit Protection scheme until the end of the tenancy when the Property and contents have been checked for unfair wear and tear.
8.	Forwarding to the Landlord the monthly rent received less any fees or expenses due or incurred for the period. Payments will be made by cheque or BACS and a detailed rent statement will be forward to the Landlord.
9.	Arranging with service companies (principally electricity, gas and water) for meter readings and advising them of the transfer of service contracts to the tenant at the beginning of each tenancy. (Although deregulation of the Statutory Agencies is making this increasingly difficult. You may need to notify the relevant agencies to finalise your accounts).
10.	Periodic inspections of the Property are carried out. Responsibility for and management of empty property is not normally included, and will only be carried out by special arrangement.
11.	Making payments on behalf of the Landlord from rents received for costs in managing the property.
12.	Carrying out a full property inspection and inventory check at the end of the tenancy and dealing with matters relating to unfair wear and tear before releasing the tenants deposit.
13.	Carrying out an Energy Performance check if required. Additional items and other expenses will be charged according the scale of fees provided in this agreement.
14.	Make selective licensing application, if applicable.
15.	Comply to selective licensing conditions using best endeavours.

Schedule 2 – Scale of Fees

Full Management

HMO Setup Fee

MARKETING – Online marketing, advertising boards, email marketing	£250
INVENTORY – Detailed inventory report including photographs	
LICENSING – License applications and compliance management	
CLEANING – Professional property clean	
TENANT FIND *** – Screening, references, viewings, AST's and deposits	

Monthly Full Management Service Fee

VIEWINGS – Accompanied viewings for prospective tenants	11%
AST – Tenancy agreement creation and signing	
COMMUNAL AREAS – Weekly inspection	
ROOMS – Quarterly inspections	
RENT – Tenant rent & arrears management	
RENT REVIEW – Tenancy rent reviews & renewal negotiation	
LETTINGS – Re-letting of rooms when vacant	
INVENTORY – Full room inventory and schedule of condition	
REFERENCING – Full referencing checks on potential tenants	
MAINTENANCE – Routine repairs and maintenance management	
GAS SAFETY – Arranging annual gas safety certification*	
FIRE SAFETY – Arranging annual fire safety certification*	

Complimentary Service

DEPOSIT – Tenant deposit protection administration fee	FREE
RENEWAL – Tenancy renewal fee - New AST requested	FREE
RENT STATEMENT – Monthly rent receipt	FREE
REPORTS – Fire, gas and electric safety quarterly report	FREE
NOTICE – Serving notice seeking possession	FREE

Legal Fees

LEGALS – Attending Court for possession hearings**	£250
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Certification

Energy Performance Certificate (EPC)*	£90
Gas Safety Certificate*	£90
Legionnaires Risk Assessment*	£90
Electrical Inspection Condition Report (EICR) and Portable Appliance Testing (PAT)*	£200

* This covers safety check arrangement and document management, it does not include the cost of the initial check or any subsequent remedial work required.

** This covers the cost of R Charles Property Management Ltd representation at court, hearings but does not cover the cost of Solicitors attendance or court fees.

*** This covers the cost of R Charles Property Management Ltd to find each tenant per room, including the costs of marketing, viewings, drawing up tenancy agreement, deposit protection and administrative costs.

Energy Performance Certificate (EPC)*

It is a legal requirement that all properties advertised for sale or let in the UK have an EPC. This certificate contains information about a property's energy use and typical costs, along with recommendations about how to reduce energy use and save money.

Should you wish to organise this yourself, we would request this is organised within the first seven days of instructing R Charles Property Management Ltd.

R Charles Property Management Ltd can arrange for an accredited assessor to attend your property and produce the certificate for £90 inc. VAT.

Cross the relevant box to indicate the arrangements which has been made to provide an EPC:

<input type="checkbox"/>	R Charles Property Management Ltd is authorised to arrange an EPC on my/our behalf at my/our expense (£90 inc. VAT).
<input type="checkbox"/>	An original EPC has been separately emailed to ray@rcharlesproperty.com .
<input type="checkbox"/>	I/we will supply an original EPC within the first 7 days of instructing R Charles Property Management Ltd.

Gas Safety Certificate*

All gas appliances and associated pipework and flues should be maintained to ensure they are safe to use. An annual inspection by a qualified registered Gas Safe engineer is now a requirement of law under The Gas Safety (Installation and Use) Regulations 1998. Should you decide to appoint your own contractor, you agree to carry out the necessary validation of their Gas Safe registration.

R Charles Property Management Ltd can arrange for a Gas Safe engineer to visit The Property in a timely fashion and carry out the required certificate.

Cross the relevant box to indicate the arrangements which has been made to provide a Gas Safety Record:

<input type="checkbox"/>	R Charles Property Management Ltd is authorised to arrange a gas safety check on my/our behalf at my/our expense (£90 inc. VAT).
<input type="checkbox"/>	An original Gas Safety Record has been separately emailed to emailed to ray@rcharlesproperty.com .
<input type="checkbox"/>	I/we will supply an original Gas Safety Record 7 clear days before the tenancy commences*.

If there are no gas appliances or meter at the property, a certificate is not required.

Legionnaires Risk Assessment*

Recent changes in Approved Code of Practice L8 which tells you how to comply with Health and Safety legislation, means that Landlords must carry out a Legionella Risk Assessment of rented properties.

You are free carry out this assessment yourself, more information can be found here:

<https://www.hse.gov.uk/legionnaires/what-you-must-do.htm>.

Should you feel a professional assessment is required, R Charles Property Management Ltd will arrange for the attendance of an assessor to The Property who will produce a full risk assessment report (note, this may be carried out after the initial tenancy has begun).

R Charles Property Management Ltd does not accept any liability in the case of any issue arising from non-compliance in this area.

<input type="checkbox"/>	R Charles Property Management Ltd is authorised to arrange a professional Legionnaires Risk Assessment on my/our behalf at my/our expense (£90 inc. VAT).
<input type="checkbox"/>	A Legionnaires Risk Assessment has been separately emailed to ray@rcharlesproperty.com .
<input type="checkbox"/>	I/We will organise a Legionnaires Risk Assessment and provide a copy to R Charles Property Management Ltd prior to the start of a tenancy.

Electrical Inspection Condition Report (EICR) and Portable Appliance Testing (PAT)*

Electrical supply and appliances within a property must be 'safe'. All electrical appliances must be checked at regular intervals for defects (e.g., frayed wiring, badly fitted plugs etc). R Charles Property Management Ltd can arrange for a qualified electrician to attend The Property and provide a full Electrical Inspection Condition Report and Portable Appliance Testing.

R Charles Property Management Ltd strongly recommend you conduct an EICR every five years and PAT annually. This should be carried out by a qualified electrical engineer. Records of these checks conducted at the property should be retained and provided for inspection if required.

<input type="checkbox"/>	R Charles Property Management Ltd is authorised to arrange an Electrical Inspection Condition Report and Portable Appliance Testing.
Please detail the number of electrical circuits within the property (This can be found by the number of switches upon the fuse board) _____	
Please detail the number of appliances within the property to be tested. _____	
The cost will be calculated at £200 inc. VAT for the first 6 circuits and 6 appliances, £30 inc. VAT for each additional circuit and £5 inc. VAT each additional appliance thereafter.	
<input type="checkbox"/>	I enclose a copy of the Electrical Inspection Condition Report.

House of Multiple Occupancy Licence

A rented property will require a House of Multiple Occupancy License should the following apply:

- It's at least 3 storeys high
- At least 5 tenants live there, forming more than 1 household
- You share toilet, bathroom or kitchen facilities with other tenants

Please note that definitions may vary, and you are advised to contact your local authority to seek clarification and for licensing, if required.

My property does not require a license.

I enclose a copy of my HMO Certificate.

House of Multiple Occupancy Licence Renewal

For an application to be valid, you need to include the following; a completed application form, recent passport style photo of the applicant and any manager (if applicable) and the correct fee. Other documentation such as fire risk assessments will be required at a later date if not uploaded at the time you submit your application.

R Charles Property Management Ltd is authorised to prepare and apply for renewal of the HMO license on my/our behalf at my/our expense (£150 inc. VAT). This does not include the fee for the pre-application and license itself.

Non-Residential (Overseas) Landlords

If you are living overseas for more than 6 months you are required to notify the Inland Revenue, who will issue us with a certificate allowing us to pay your rent to you gross. More information can be found at www.inlandrevenue.gov.uk.

When completing the NRL1 application form, please contact R Charles Property Management Ltd for our reference number.

Without this certificate, R Charles Property Management Ltd is obliged by the Taxes Management Act 1970 (or any similar powers of any future tax legislation) to deduct tax at the basic rate to cover any tax liability.

Reasonable administration charges may be payable to R Charles Property Management Ltd for further work requested by the Landlord, Landlord's accountant or the Inland Revenue in connection with such tax liabilities.

I am an overseas landlord and I have/will complete an NRL1 application form.

I am a UK based landlord and do not require a certificate.

Smoke Alarms and Carbon Monoxide Detectors

As of 1st October 2015 it is a legal requirement for smoke alarms to be fitted on each storey of rented property. These alarms can be battery operated and have to be in full working order for the duration of the tenancy.

It is also a legal requirement for Carbon Monoxide alarms to be installed within proximity of any solid fuel burning appliance, such as coal or wood. It is also highly recommended by the Government that these are installed within proximity of fossil fuel burning appliances.

All of these alarms must be tested and certified annually to ensure they are in full working order.

Please complete the information below:

I/we confirm that the appropriate smoke and carbon monoxide detectors are present on each floor/within proximity of the appliance throughout The Property. I/we confirm these have been tested prior to the start of any initial tenancy.

Please provide details of the position of each alarm below:

Maintenance

If you have preferred contractors please give details here.

Name: _____

Address: _____

Telephone: _____

Trade: _____

Name: _____

Address: _____

Telephone: _____

Trade: _____

Service Contracts and Guarantees

Please enclose copies of contracts & guarantees.

Appliance: _____ Contract No: _____

Contact & Tel No: _____ Expiry Date: _____

Appliance: _____ Contract No: _____

Contact & Tel No: _____ Expiry Date: _____

Appliance: _____ Contract No: _____

Contact & Tel No: _____ Expiry Date: _____

Appliance: _____ Contract No: _____

Contact & Tel No: _____ Expiry Date: _____

Do you have a maintenance agreement with British Gas?

YES

Please enclose a copy of the agreement.

NO

If Yes, Reference Number: _____

Expiry Date: _____

Please enclose copies of instructions for any appliances and heating system. If you do not have instructions, please write on a separate sheet any relevant instructions.

Utility information & what to do next

Utilities: Please let us know who supplies the following services giving their name and telephone number. By all means make a note of the gas, electric and water readings for your own reference, but please DO NOT contact any of these organisations:

Gas supplied by: _____ Tel: _____

Electricity supplied by: _____ Tel: _____

Water supplied by: _____ Tel: _____

Sewerage supplied by: _____ Tel: _____

Council Tax supplied by: _____ Tel: _____

You will still be liable for all the above services until a tenant occupies the property. At that point we will contact all the above organisations and inform them of all relevant meter readings and forwarding address for your final accounts.

Mail: It is your responsibility to make arrangements with the Post Office to have your mail redirected from the date you vacate the property.

Telephone: Make sure you contact your telephone provider and have your phone disconnected from the date you vacate the property.

Money Laundering Regulations: We need copies of photo ID and evidence of residence.

Keys

Please list all keys you are supplying us with. We require two of each.

Schedule 3 - Landlord Checklist

Landlord Name	Title	Forename	Surname

Landlord ID	Please Include the following documents:	Proof of Identity*	Cross here <input type="checkbox"/>
		Proof of Address*	Cross here <input type="checkbox"/>
		Copy of Mortgage Statement	Cross here <input type="checkbox"/>

***Acceptable Forms of ID Include:**

Current Passport

Current Full UK Driving Licence

UK Armed Forces ID Card Police Warrant Card

Firearms or Shotgun Certificate.

+Acceptable Forms of Proof of Address Include:

Recent Council Tax Bill (Max 12 months old)

Recent Utility Bill (Gas / Electricity / Water – Max 6 months old)

Bank Statement (inc Building Society or Credit Card - Max 6 months old)

Inland Revenue Tax Notification (Not P45 or P60)

Where application is made by post, copies are acceptable but must be countersigned by a Professional Person to whom you have been known for at least 2 years. If in doubt, please contact R Charles Property Management Ltd for advice on ID. These checks are made to comply with Government Money Laundering Regulations and as part of our underwriting process. All information is held in accordance with the Data Protection Act.

Payment Details	Bank Name						
	Sort Code						
	Account Number						
	Account Holder						
Residency	Are you UK Resident for Tax Purposes	YES			NO		
	If No, please give the FICO Number for this property						

Schedule 4 – Complaints Procedure

Stage One – Your Current Point of Contact

We receive very few complaints; however, we understand that sometimes things don't go exactly to plan and occasionally go wrong. If this occurs, we encourage you to try and resolve the situation with the member of our team you have been dealing with.

Stage Two – Manager

If we are unable to resolve the situation at Stage 1, you may refer the case to the appropriate Manager responsible for the property in question. Where necessary, if the situation remains unresolved, we recommend that the issue is raised within one month of completing Stage 1.

The person you have dealt with will provide you with the Manager's name and contact details. Alternatively, you may write to info@rcharlesproperty.com. We will acknowledge the escalation within three working days of receipt and work with you to try and resolve any issues raised as promptly as possible. A written response to summarise any investigations and steps taken will be sent within fifteen working days.

Stage Three – Departmental Director

If you still remain dissatisfied and wish to further escalate your complaint, you may then write to the Director at the following address:

Ray Charles

20-22 Wenlock Road

London

NG1 7GU

Email: info@rcharlesproperty.com

Tel: 01582 363 260

The Director will acknowledge your complaint within three working days and will undertake a full review of your complaint, including how it has been handled to date, which may include further investigations into the background of your concerns. Within fifteen working days from receipt of your letter, the Departmental Director will detail their findings and recommendations in a written response to confirm our 'viewpoint' on the matter.

Stage Four – Shareholders/Departmental Directors Review

If you are still not satisfied with the 'viewpoint' in stage 3 then all staff, shareholders and the Directors will hold a formal meeting, consider the facts and issue a 'final viewpoint'.

Stage Five – The Property Redress Scheme

After you have received our final viewpoint letter, if you are not satisfied with the proposed resolution, you may approach The Property Redress Scheme. Details of how to do this can be found at www.theprs.co.uk.

Please note that if you do wish to contact The PRS, you must do so within six months of the date of the final viewpoint letter. It is also important to note that The Property Redress Scheme will not consider your complaint until our internal complaint's procedure has been exhausted.