



Terms of Business and Agency Agreement for Rental Properties

This agreement is made between the Landlord/Owner of the Property and O'Connell Letting Agents, who agree to act as agent for the named Landlord and are hereinafter referred to as "The Agent". The purpose of this document is to set out the extent of service(s) offered, and the scale of fees charged.

Client Details

Full Name(S) Title _____ Name _____ Surname _____

Full Name(S) Title _____ Name _____ Surname _____

I/we confirm Sole/Joint Ownership (delete as appropriate)

Contact details for further correspondence

Address _____

_____ Postcode _____

Home Telephone Number _____

Mobile Telephone Number _____

Email Address _____

Bank Account details for rent payment

Name and Address of Bank _____

Account Name _____

Account Number _____

Sort Code _____

Property Details

Address of Property_____

_____ Postcode_____

Available from_____

Duration of Tenancy (short/long term)_____

Property to be let: Unfurnished/Part Furnished/Fully Furnished/Other

Will viewing be arranged through the agent, the landlord, the tenant, or other? Please specify_____

Will the agent be given keys? Yes/No Any alarm codes (details) _____

About the tenancy

Are Pets Allowed?_____ Smoking Allowed_____

Council Tax Band and Cost_____

Utility Suppliers

Electricity Supplier_____ Contact Number_____ Meter location_____

Gas Supplier_____ Contact Number_____ Meter location_____

Water Supplier _____ Meter location and rates_____

Landline Number_____ Internet/Phone provider_____

Landlord Insurance Policy details_____

Has the mortgage provider/Freeholder/Leaseholder given consent to rent the property_____

Does the property hold a valid EPC certificate? _____

Does the property hold a valid Gas certificate?_____

Does the property hold a valid Electrical Certificate?_____

If any of the above are not in place, we can arrange these prior to the tenancy (please refer to our fees)

Fee Structure

- a. **Tenant Finder Fee** A flat fee of £300.00 (per tenant) and VAT to be deducted from the first monthly rental payment.
- b. **Tenant Finder and Rent Service** A flat fee of £300 (per tenant) and VAT to be deducted from the first monthly rental payment and a fee of 8% of the monthly rental value to be deducted from every month's rental payment.
- c. **Fully Managed Service** A flat fee of £300 (per tenant) and VAT to be deducted from the first monthly rental payment and a fee of 10% of the monthly rental value to be deducted from every month's rental payment

I/we, the landlord agree for the property to be marketed at : _____PCM

Tenant Finder Fee _____

I/we appoint O'Connell Letting Agents to let the above property as stated in the Terms of Business. I/we understand that as landlords, I/we are responsible under the Tenant Finder service for the collection of rent and management/repair of the property

Tenant Finder Fee and Rent Collection Fee _____

I/we appoint O'Connell Letting Agents to let the above property as stated in the Terms of Business. I/we understand that as landlords, I/we are responsible under the Tenant Finder and Rent Service for management/repair of the property.

Full Management Fee _____

I/we appoint O'Connell Letting Agents to let the above property as stated in the Terms of Business. I/we authorize the agent to carry out all repairs that may affect the property including safety, security and compliance with the statutory notices and regulations unto an amount of agreed float without prior reference to me/us. I/we indemnify O'Connell Lettings for all costs relating to such emergency repairs as may in their absolute discretion need to be carried out.

In addition to the options outlined above, the following fee's may be charged. O'Connell Letting Agents require cleared funds to arrange the following:

Arrange EPC Certificate £60.00

Arrange Gas Certificate £50.00 (excluding any issues that may arise from safety check)

Arrange Electrical Certificate £TBA depending on size of property

Administration charge for the arranging of maintenance with contractors where the property is not fully managed 12% of the cost of work.

Where, with consent of the landlord the tenancy is renewed or extended to the same tenant (or any other person associated with the tenant) originally introduced by the agent, the agent shall prepare the tenancy agreement for a renewable fee payable prior to the preparation of the agreement. This includes the confirmation that the original tenant application information is still valid £95.00

Tenant Finder Service

- Advise upon likely rental income, furnishings and related matters
- Advise on Health and Safety and other Legislative Matters
- Marketing of Property on O'Connell Letting Agents website plus website portals including Right move, Open Rent and Zoopla
- Accompanied viewings
- Tenant referencing and credit checks
- Inventory Check/Schedule of Condition
- Prepare Tenancy Agreement
- Collecting first month's rent and deposit, deduction of Letting's fee and any other agreed fees incurred and transfer of the remainder to the landlord together with a detailed rent statement
- Meter readings and referral to utility companies where required by the landlord.
- Holding of deposit and registering within a tenancy deposit protection scheme as required by the Housing Act 2004.
- The return of the deposit to the tenant at the end of the tenancy, subject to any deduction and arrangement to be returned to the landlord.

Tenant Finder and Rent Service

- All items in the Tenant Finder Service
- Rental collection and processing
- Monthly statement to landlord
- Monthly payment to landlord
- Chasing any missed payment by tenant
- Writing to tenant regarding late missed payments
- Communication of any arrears with landlord

Fully Managed Service

- All items included in the Tenant Finder and Rent Collection Service
- Retention of a pre- arranged 'float'
- Quarterly Property Inspection
- Co-ordination of any maintenance works required on a routine or emergency basis and settling the account from the 'float'
- Arranging any statutory testing required

General Authority

The landlord confirms that he/she is the sole or joint owner of the property and has the right to rent out the property under the 'Terms of Mortgage' or the 'Head Lease'. Where necessary, the landlord confirms that the landlord has permission from the mortgage provider. The landlord authorizes the agent to carry out the various duties of property management as detailed above. The landlord also agrees the agent may earn and retain commissions on insurance policies issued

Reasonable Cost and Expenses

The Landlord agrees to repay the Agent for any reasonable costs, expenses, liabilities incurred or imposed on the Agent if they were incurred on behalf of the Landlord in pursuit of the Agents normal duties. To assist the Agent carrying out their duties effectively, the landlord agrees to respond promptly with instructions where necessary in any correspondence or request from the Agent.

Tenant Finder and Rental Collection Service

Where the Landlord does not wish the Agent to undertake full management, the Agent can provide a Letting Service as detailed above. The fees are payable on the commencement of the tenancy and will be deducted from the monies received by the Agent on the Landlords behalf. If the tenant leaves prior to the end of the term of the tenancy, through no fault of the agent, the landlord shall not be entitled to reimbursement of any fee's paid.

Maintenance

For maintenance of properties we use local companies at competitive rates. Normally, unless agreed with the landlord, we will arrange for any repairs up to the value of the 'Float' to be carried out. For expenditure in excess of this, the Agent would normally request authorization in advance, although it is agreed that in an emergency or for reasons of contractual necessity where reasonable attempts have been made to contact the landlord, the Agent may reasonably exceed the limits specified.

Condition of Property

The landlord agrees to provide the letting property in good condition and in accordance with the Housing Act 2004 in relation to Fitness Standard for dwellings. A property offered in good condition will not only provide a better rental return but may also be well maintained by tenants.

Taxation

Under the self-assessment tax system an annual tax return must be completed by Landlords, detailing the income from the letting of any property. There are certain expenses which maybe offset against rental income.

- Insurance premiums for the rental property (Business and Contents)
- Cost of repairs and general maintenance of the property.
- Mortgage Interest Relief
- Wear and Tear- The Inland Revenue will normally allow an amount of 10% for wear and tear to be deducted from the gross income for furnished properties.
- Any legal or professional fees.

When letting property and collecting rents for Landlord overseas, the Agent is obliged by the Taxes Management Act (TMA)1970 and the Taxation of income from Land (non- residents) Regulations 1995 to deduct Tax (at the basic rate) to cover any tax liability, unless the Landlord has been issued a tax exemption certificate by Inland Revenue to receive rent gross. The Agent must be given a copy of the certificate.

Council Tax

Payment of Council Tax will normally be the responsibility of the tenants in the property. Landlords however should be aware that where a property is empty, let as a holiday accommodation or let as a house in multiple occupation (HMO) responsibility for payment of council tax then rests with the owner of the property.

Services

The Agent will take meter readings whenever possible at each change of occupation at the property and the landlord should inform the services companies. (Electricity, gas and water) of these readings and change of occupation, in many cases (BT) the service companies require that the new occupiers formally request and authorize for the service and it is not possible for the Agent to do this on the tenants or landlords behalf. In relation to mail, landlords should take care to inform all parties (e.g., banks, clubs, societies etc.) of their new address, it is not always possible to rely on tenants to forward mail.

Inventory

The standard inventory (if required) will include all removeable items in the property. (except those of negligible value) plus carpets, paintwork, wall coverings, curtains, mirrors, sanity ware and other articles that in the opinion of the Agent, need regular checking. Landlords should not leave any articles of exceptional value in the property without prior arrangement with the agent.

Inspections

Where a property is fully managed, the agent will carry out quarterly inspections. It is not the intention to inspect every item on the inventory at this stage, the inspection is concerned with verifying good order with the tenancy. (i.e. the house is being used in a tenant like manner) and the general condition of the property. This includes inspecting carpets, walls, cooker, main living areas and gardens. If any issues arise a more detailed inspection will be done. A final inspection will be done when the tenant departs. Further inspections can be arranged for plumbing, heating systems and electrical appliances, should the Landlord require it and any problems will be reported back with deductions or replacement values.

Deposits

A deposit will be taken from the tenant on signing the Tenancy Agreement, in addition to any rents due. The purpose of the deposit is to protect the landlord against loss of rent or damage to the property during the tenancy itself. These deposits will be registered with an appropriate deposit protection scheme in accordance with the Housing Act 2004, ready for refund (less any charges due) at the end of the tenancy.

Termination

Under the fully managed service, this agreement may be terminated by either party by way of two months written notice. The minimum management fee applied if on the termination, the total fees due are less than the 'Minimum Management Fee'. Where cancellation of this agreement is due to circumstances beyond the control of either party, the 'minimum fee' will not apply and any prepayments will be returned to the person entitled to them, less any expenses reasonably incurred at the date of cancellation. The Landlord shall provide the Agent with any requirements for return and repossession of the property at the earliest opportunity. Landlords should be aware that the legal minimum notice period to the tenants under Assured Short hold Tenancy is generally two months. (should the contract allow for early termination) and this needs to be given even in the case of a fixed term tenancy which is due to expire.

Safety Regulations**Please read and understand these obligations before signing the terms of business**

The letting of property is closely regulated with respect to consumer safety. The law makes demands regarding the safety, servicing and inspection of the gas and electrical appliances and installations within a property and within respect to the safety of soft furnishings provided. The following regulations apply

Furniture and Furnishings (Fire) (Safety) Regulations 1988

- General Product Safety Regulations 1998.
- Gas Safety (installation and Use) Regulations 1998
- Electrical Equipment (Safety) Regulations 1994
- Plugs and Sockets (Safety) Regulations 1994

The landlord confirms that they are aware of these obligations and that the Agent has provided sufficient information to assist with compliance. It is agreed that the landlord shall ensure that the property is made available for letting in a safe condition and in compliance with the necessary regulations. Whilst the Agent shall take all reasonable steps to audit the relevant equipment is checked at the beginning of the tenancy or during the tenancy if required, this does not relieve the landlord of his/her legal responsibilities and the landlord agrees to indemnify the Agent for any expenses or costs incurred as a result of non-compliance of the property to fire and appliance safety standards.

Instructions

It is agreed that all significant instruction the Agent from the Landlord be confirmed in writing.

Insurances

Although the aim is to take care in managing the property, the Agent cannot accept responsibility for non-payment of rent, damage or other default by tenants. Nor any associated legal costs incurred in the collection of rent when the agent has acted correctly in terms of this agreement, or on the landlord's instruction. A 'Rent Guarantee' insurance policy is recommended for this eventuality. Arrangement of this can be done if required if appropriate.

The landlord shall be responsible for the property and contents being adequately insured and that the insurance policy covers the situation where the property is let. The Agent would normally be responsible for the administration of any claim arising under the period of the management in the fully managed service.

Housing Benefit

The landlord fully indemnifies the Agent for any claims or losses, arising from overpayment, which may be made by local authority in respect of housing benefit, or any other benefit scheme, paid to or on behalf of the tenant(s) as rent. The undertaking shall remain in force under the tenancy and up to six years thereafter, whether the Agent continues to be engaged in to the let or management of the property or not.

Legal Proceedings

Under the fully managed service the Agent will act upon any delays of payment or other defaults in the first instance. Where the Agent has been unsuccessful in these initial actions, or there are significant rent arrears, or breaches of the tenancy agreement, the Landlord will be advised accordingly. A solicitor would then be appointed and instructed by the Landlord (except where the Agent is unable, after taking reasonable efforts to contact the Landlord, or in the event the Agent is authorized to instruct a solicitor on the landlords behalf). The Landlord is responsible for all legal fees.

Sale of the Property

When the Agent introduces a tenant who then proceeds to purchase the property, a fee of 1.5% of the total purchase price will be payable to the agent

Acceptance and Variation

The terms and conditions of this agreement may be varied by either party, but only with prior notice. I/we accept these terms of business and instruct the Agent to undertake the service as indicated below

Tenant Finder _____

Tenant Finder and Rent Collection _____

Full Property Management _____

I/we also confirm that we are the sole/joint owners of the property known as _____

In order to comply with the Proceeds of Crime Act 2002 and the Money Laundering Regulation 2007, we require you to provide the Agent with one copy of identification and one copy of proof of residence.

IMPORTANT NOTICE: Please carefully read and understand the terms of business before signing.

If the property is jointly owned all parties should sign

Signed: _____

Date: _____

Landlords Full Name _____

Signed on behalf of the Agent: _____

Date: _____