Terms and Conditions: Residential Lettings & Management

COMMISIION

1.1 Letting, Rent Collection and Management: 10% of total rent reserved + VAT

PRE-INSTRUCTION REQUIREMENTS

2.1 We can only accept your instructions upon the basis that the following conditions have been met:

2.21 **Sub-Letting**
If you are a Tenant of a lessee it is essential that

1) The intended furnished letting is permitted by your lease
2) The intended furnished letting is for a period expiring prior to the termination of your lease
3) Your Landlord's written permission is obtained for sub-letting

2.1.2 **Mortgages**
Where the property to be let is subject to a mortgage, permission is normally required from the mortgagee to let or sub-let the property furnished. We require you to confirm that you have obtained your mortgagee's permission in advance. Please note that applying for permission after a Tenant has been found could prejudice the tenancy.

2.1.3 **Insurance**
You must ensure that the building and contents insurance cover is adequate and that the policy covers furnished lettings: Please note that many household policies do not automatically provide such cover. If required we can arrange this on your behalf.

We would bring it to your attention that the Circle Real Estate Company cannot be held liable for any difficulties arising as a result of a failure to observe the above.

2.1.4 **Fire Regulations**
For new tenancies after 1st March 1993 you must ensure that furniture supplied conforms to the Fire & Furnishing (Fire) (Safety) (Amendment) Regulations 1993 and you will hereby indemnify us as a result of any breach.

2.1.5 **Fittings and Equipment**
You must ensure that all equipment, electrical or otherwise, provided with the property is fully operational and, if possible, recently serviced, at the commencement of the tenancy.

COMMISSION LEVELS

3.1 On finding a Tenant who is accepted by you or whom you have given us authority to accept on your behalf and who completes the Tenancy Agreement, our commission will be charged as follows:-

3.1.1 10% of the total rent reserved under the terms of the Tenancy Agreement, plus VAT. The total amount of commission falls due at the commencement of each tenancy and/or extension and will be deducted from the initial rent payment(s) received from the Tenant.

3.1.2. With regard to extended tenancies or a fresh tenancy of another property owned by you granted to the Tenant or occupier, commission is payable to us at the rate of 10% of the total rent reserved under the terms of the Tenancy Agreement plus VAT, whether or not negotiated by us.

3.1.3 In cases where we are not employed to collect rent throughout the tenancy, it is our policy to receive the initial rent payment, or payments, from the tenant in order to meet our commission.

3.1.4 Our management commission will be collected by way of deduction from the rents received or invoiced separately in the event of rent default.

3.1.5 Our minimum management commission is £100 plus VAT per calendar month.

DESCRIPTION OF SERVICES

4.1 **Finding a tenant**

The services included in our commission of 10% are:-

4.1.1 Introduction of a tenant for the property.

4.1.2 Taking up references but not including any charges for Company investigations should these be requested.

4.1.3 Negotiating the terms of the tenancy between yourself and the Tenant.

4.1.4 Collecting and holding the deposit (as stakeholder) payable by the Tenant against dilapidations.

4.1.5 Making every effort to notify service companies (telephone, gas and electricity) at the commencement of the tenancy.

4.2 Rent Collection

Included in the fee of 10% we are pleased to offer the following services:-

4.2.1 The demand and collection of rent on your behalf.

4.2.2 The forwarding of rent to yourself or your bank.

4.2.3 The preparation and submission of regular rent statements.

4.3 Property Management

The services included in our commission of 10% are:

4.3.1 Outgoings
We will pay current outgoings such as rent, council tax, insurance premiums and any service charge and/or maintenance charge or similar contribution to shared expense and account to you regularly.

Please note that you are expected to instruct your Insurance Company, the Local Authority etc. to send their accounts to us. Although we shall do our best to query any obvious discrepancies it must be understood that we are entitled to accept and pay without question demands and accounts, which appear to be in order. In particular, we cannot accept responsibility for the adequacy of any insurance cover or for the verification of service/maintenance charge demands or estimates where applicable. It is important that we receive full written instructions regarding any insurance premiums you wish us to pay.

4.3.2 Repairs and Replacement
We shall deal with day-to-day management matters including minor repairs up to a maximum of £300 for any one item. Except in an emergency wherever practical, estimates are obtained and submitted to you for approval in respect of works of redecoration, renewal or repairs likely to cost more than £300. An additional supervisory fee of 10% plus VAT of the total cost is charged for this work.

4.3.3 Inspection and Defects
Our management will include non-expert investigation of defects, which come to our notice or are clearly and adequately brought to our attention by the Tenant. If instructed to do so we shall inspect the property on a periodic basis at an additional charge of £25 plus VAT per inspection. It should be appreciated that any such inspection can extend only to apparent and obvious defects and would not amount in any way to a structural survey of the property. We cannot accept responsibility for hidden or latent defects.

4.3.4 Terms of Management Appointment
Except in cases where you intend to re-occupy the accommodation and where special arrangements are made, our appointment is for an agreed period and thereafter subject to three months notice to terminate on either side. We must be placed in sufficient funds at the commencement and, if necessary, during the term of the management, to enable us to meet all expenditure prior to any next rent collection. It is essential that we hold a working balance, as we cannot undertake to meet any outgoings beyond the available cash from time to time in our hand on your account.

4.3.5 Void Periods
Our management function does not include the supervision of the property when it is not let, although in the course of finding you a Tenant, periodic visits may be made to the accommodation by our letting staff. Instructions can be given for further visits for a fee of £25 plus VAT for each additional visit.

4.4 Furnishing/Refurbishment
If we undertake to supervise either partial or total furnishing and refurbishment of properties, a fee of 10% plus VAT of the total cost of the work will be charged by us.

GENERAL INFORMATION

5.1.1 Unless otherwise agreed, the rent quoted to a Tenant by us on your behalf must be inclusive of all out goings for which you are responsible (i.e. water rates or meter, ground rent, service charges, etc) with the exception of gas, electricity, the telephone service and fuel oil where there is independent oil fired heating system. Any rent asked by us on your behalf will not include reference to Council Tax or a similar levy. This tax will normally be levied separately on the occupants of the property but in some cases the Local Authorities may wish to charge you, the Landlord.

5.2 Inventories
We can, if required, instruct established independent inventory clerks to act on your behalf on your accepting responsibility for their charges. While care will be taken in giving your instructions to inventory clerks, we cannot accept liability for any error or omission on their part, since they are not in our employment.

5.3 Furnished Tenancy Agreement
Unless we are instructed otherwise, we use our standard form of Tenancy Agreement in respect of all furnished lettings. Landlords instructing their own solicitors to prepare an Agreement must be responsible for their solicitor's fees.

5.4 Rent Remittances
Present banking arrangements are such that it is necessary for us to allow approximately 10 days before transferring monies to clients' accounts. Any monies dispatched will be without prejudice to final clearance.

5.5 Instructions of Solicitors
You will be informed of any rent arrears or breaches of covenant brought to our attention. However, if it is necessary for a Solicitor to take action, you will be responsible for instructing your own solicitor and for all fess involved.

5.6 Taxes and Management Act

You are responsible for notifying the Inland Revenue of the tenancy. Where the Landlord of a property resides abroad, the Commissioners for Inland Revenue will hold us, as your Agents, responsible for the payment of any tax liability, which arises on rents collected by us on your behalf.

Accordingly, if you are resident abroad it will be necessary for us to deduct monies at the appropriate rate and hold the amount so deducted to your credit until the taxation liability has been agreed with the Inspector of Taxes. Similarly, if at present you live within the UK but subsequently move aboard, it will be necessary for us to commence this deduction from the time you leave this country. The monies deducted will be placed on deposit and will earn interest on your behalf.

The eventual liability for tax may be less than the amount we have retained. We suggest that you employ accountants to meet the tax liability on your behalf. We therefore ask you to let us know as soon as possible who will be dealing with your tax affairs in this country. Should you a t present reside within the UK but subsequently move aboard, please let us know the name of your accounts or tax advisers at that time.

5.7 Courts and Tribunals

Applications for fair rent or appearances before the Rent Officer, Rent Assessment Committee or any other Court of Tribunal will be by special arrangement only and will form the subject of an additional charge to be agreed.

5.8 Purchasers by Party Introduced by us

In the event of a third party (being any person or body corporate associated with such party) purchases the property (either after entering into a Tenancy Agreement or otherwise) then commission shall be payable to us on completion of such sale, such commission to be based on the sale price and calculated in accordance with our standard commission rates for residential premises then in force.

5.9 Third Party Introductions

In the event of a third party (being any person or body corporate) associated with a Tenant or occupant entering into a subsequent Tenancy Agreement without there existing any intervening tenancy, commission shall be payable to us at the commencement of the tenancy.

5.10 Landlord and Tenant Act 1987

We are obliged to include your full name and address on al l rent demands. If your address is outside England and Wales, then we must provide the Tenant with an address within England and Wales to which Notices (including Notices in proceedings) may be served to you. Unless otherwise instructed, if your address is outside England and Wales, we will use the address of our central Administration Office for this purpose. Although we will use our best endeavours to forward any Notices to you promptly, we cannot accept liability for any loss or damage incurred either directly or indirectly from our actions in this respect.

5.11 Collection of Rent

If you instruct us to demand and collect rent from the Tenant on your behalf, this will be done where possible by use of a Standing Order Mandate unless you instruct us to the contrary in writing. This ensures prompt collection of rent and cleared funds will be transmitted automatically into our account. However, you are advised that by accepting rental payment by Standing Order (which can only be terminated by the Tenant) should the Tenant breach any of the terms of the Tenancy agreement whereby you see forfeiture of the tenancy and repossession of the premises, the continued payment of rent by the Tenant under the Standing Order Mandate may be deemed to be a waiver by you of the Tenant's breach. Immediately following breach the Tenant must be notified by you (in the event that we do not manage the property) that monies received by Standing Order are to be regarded as mesne profits.

I/We wish you to undertake Letting, Rent Collection and Management.

…….. Date …….

CERTIFICATE OF OWNERSHIP/RESIDENCE

I/We hereby certify that I/We (jointly) own the property known as:

……..

Which I/We have instructed The Circle Real Estate Company Limited to Let (and Manage) (and that the property was my/our principal private residence at the time) and if there are joint owners that both/all are aware of and agree to the letting of the property.

Signed: …… Date: ……

Printed: …… Date: ……

Signed: …… Date: ……

Printed: …… Date: ……

Please sign both copies of the Terms & Conditions, returning one copy to our office, at your earliest convenience as receipt of this form will allow our office to commence actively offering your property.