

AGENCY AGREEMENT

LETTING AND MANAGEMENT

This Agreement is made between the Owner/s of the property as named at the end of this Agreement, hereinafter called "The Owner", and Acorn Sales & Lettings acting as Agent for the Owner, and hereinafter called "The Agent".

A. THE SERVICE

- 1) Providing a **rental valuation** of the property, and offering advice as required.
- 2) **Advertising** as necessary, selecting tenants, arranging/carrying out viewings, obtaining references, dealing with negotiations.
- 3) Preparing and signing as Agent for the Owner a suitable **tenancy agreement** in accordance with current law.
- 4) Preparing an **inventory** and schedule of condition at the charge overleaf.
- 5) Advising on and assisting in the transfer of **utility service** accounts.
- 6) Collecting and holding a **security deposit** in accordance with current legislation.
- 7) Receiving ongoing **rental payments**, preparing and forwarding to The Owner and/or their accountant financial statements on a monthly basis, and remitting the balance of rental payments within one month of the due date, provided the same shall have actually been received.
- 8) Making payment of certain **regular outgoings** provided The Agent has agreed to do so separately in writing and that sufficient funds are held in credit by virtue of paragraph 7 above.
- 9) Advising on and ensuring compliance with the Gas Safety (Installation and Use) Regulations 1998 with regard to the inspection, maintenance, and keeping of records in respect of **gas appliances in tenanted premises**, The owner being responsible for all costs involved.
- 10) Advising on and ensuring compliance with the Furniture and Furnishings (Fire) (Safety) Regulations 1988 (amended 1989, 1993, & 1996) with regard to **minimum fire resistant standards** of specified items supplied in the course of letting the property, The Owner being responsible for all costs involved.
- 11) Advising and ensuring compliance with the Electrical Equipment (Safety) Regulations 1994 and other relevant legislation with regard to the **condition and safety of electrical equipment and appliances** in tenanted premises, The Owner being responsible for all costs involved.
- 12) Advising and ensuring compliance with the **Disability Discrimination Act 2005** with regard to the property, The Owner being responsible for all costs involved.
- 13) Advising and ensuring compliance with the **Housing Health and Safety Rating Systems (HHSRS)** with regard to the property, The Owner being responsible for all costs involved.
- 14) **Inspecting** the property periodically to ensure compliance with the terms of the tenancy agreement and any other relevant legislation.
- 15) Arranging any **repairs, maintenance or replacements** to the property or contents which come to or are brought to The Agents notice and which The Agent considers necessary, up to an estimated cost of £150 (or such other amount as shall be agreed in writing) for any one item or job, The Owner being responsible for the cost involved. Where the estimated cost exceed £150, notifying The Owner or their nominated representative who will be responsible for arranging and paying for such work or replacement.
- 16) Taking appropriate initial action in the event of **rent arrears or any other breach of condition** of the agreement in an effort to remedy the situation. Where such arrears or breach persists, informing The Owner or The Owner's nominated representative who will be responsible for taking further action and meeting any costs involved.
- 17) Liaising with the tenant on a routine basis, arranging **renewals** or the agreement or **check-outs, re-advertising and re-letting** to new tenants as appropriate.

B. NOTES AND GENERAL TERMS

- 1) If a mortgage exists on the property, The Owner must obtain the lender's consent to let.
- 2) If The Owner is a **leaseholder** the terms of the lease must be checked and any necessary consent obtained to let.
- 3) The Owner must ensure that adequate cover exists under **buildings insurance**, and must inform the insurers that the property is to be let.
- 4) The Landlord authorizes the Agent to erect an Agency Board at the property, conditional upon Local Authority Rules and Regulations.
- 5) The Landlord hereby grants the Agent the authority to sign the Tenancy Agreement and legal notices on the Landlord's behalf.
- 6) Before any Tenancy is granted:
 - a. To bring the property to a suitable standard of condition for the purposes of letting in accordance with the requirements of the Local Authority Environmental Health Department, and other legislation.
 - b. To ensure the furniture and furnishings comply with current safety legislation.
 - c. To ensure that all electrical appliances and circuits are in order and comply with current legislation.
 - d. To ensure that all gas appliances have been serviced and checked by a CORGI registered contractor within the previous twelve months and that there is at all times in force a current Safety Certificate. We can arrange this on behalf of the landlord.
- 7) The Agent's Service **does not include** supervision of the property whilst unoccupied although visits may be made by staff in the process of re-letting.
- 8) The Owner **hereby agrees to ratify** all lawful actions taken by The Agent under this agreement.
- 9) The Landlord is at all times responsible for taking any legal action against a Tenant where a Tenant is in breach of the Tenant's obligations as set in the Tenancy Agreement, and for the costs and expenses involved in taking any legal or other action.
- 10) **It is hereby agreed** that The Agent may deduct from rental received all fees commissions charges and expenses payable or reimbursable to The Agent under the terms of the Agreement.
- 11) The Agent will not accept responsibility for **frost or cold weather damage to water systems** or subsequent damage caused thereby at any time, and The Owner should therefore ensure that such risks are covered by insurance. It is recommended that adequate arrangements are made with a third party to protect water systems from cold weather.
- 12) Whilst the property is on let and unoccupied, the property reverts to the Landlord, who is responsible for all matters relating to the property. The Agent is prepared to accept instructions from the Landlord to act as caretaker during such period. Caretaker Fee is 10% of current rental value. This excludes turning off the water supply which would be carried out by a professional plumber and charged at £95.
- 13) Where The Owner is resident in the UK **income tax** on rental from property is entirely The Owners responsibility. However where The Owner is deemed to be resident overseas, unless exemption has been agreed, The Agent must deduct tax from rental received and forward the same to the Inland Revenue. The Inland Revenue's new assessment rules changed the treatment of Overseas Landlord Tax with effect from 6th April 1996. Under the Taxation of Income from Landlord (Non Residents) Regulations 1995, the rent-receiving agent is required to deduct basic rate Tax from the rent (after taking deductible expenses paid out into account) and to pay the Tax to the Revenue each quarter. If you decide not to have your property managed by Acorn Sales and Lettings you should be aware that your tenant would be legally responsible for the collection and payment of Tax to the Inland Revenue. However, Overseas Landlords can apply to the revenue for the exemption from this requirement providing your Tax History is good and up to date. The Overseas Landlord will be issued with a certificate, with a copy sent direct to our management department authorizing us to pay rent without Tax deductions. We strongly advise that applications for exemption are submitted as soon as you are aware of your move overseas to ensure rent can be paid gross. The Inland Revenue's Landlords Tax Guide is available by contacting your local Inland Revenue Office. If you would like to speak to somebody in person regarding this matter please call the Inland Revenue's Financial Intermediaries and Claims Office (FICO) on 0151 474 6208/6209. It is the Landlord's responsibility to apply for exemption, and the Inland Revenue must be informed by the Landlord of the name and address of the Agent. If approved, Inland Revenue will issue a Form of Approval to the Agent which will specify to the Agent the effective date after which no deductions are to be made.

- 14) Whilst The Agent shall use their best commercial judgement in the selection of tenants and the execution of their Service hereunder, The Agent **shall not under any circumstances be liable** for non-payment of rent or any other outcome of the tenancy or for any legal costs resulting therefrom. Insurance policies are recommended to cover such risks.
- 15) If at the discretion of The Agent it is felt that The Owner is **demonstrating unreasonable behaviour** The Agent reserves the right to hand back the management of the property to The Owner, and The Agent will cease to manage the property.
- 16) The Agent may terminate this Agreement forthwith and without service of notice in the event of any action or omission by The Owner or The Owner's representative which frustrates the continued performance of The Agent's Service hereunder.
- 17) The Landlord may terminate this agreement in writing at any time before the signing of the Tenancy Agreement by the intending Tenant and the Landlord agrees to reimburse to the Agent administration and advertising costs incurred and to the Intending Tenant any reasonable costs incurred in making an application for a tenancy.
- 18) Each of the Landlord and the Agent has the right to terminate this agreement when a tenant vacated at the end of a tenancy, or on the occasion of a material breach of the Terms & Conditions of this agreement during a tenancy, such termination to be advised in writing and to be subject to notice of at least 14 days during which period the breach may be rectified and the termination cancelled by agreement.
- 19) The Landlord may terminate this Agreement in writing giving 3 months notice at any time before the completion of the contract subject to reimbursement by the Landlord of all management fees to the end if any existing tenancy agreement.

C. FEES

- (a) Letting Fee equivalent to _____
- (b) Management Commission equivalent to _____ % of rental received
Fees are payable to the Agency throughout the duration of the tenancy including any renewal or extension period, whether or not the Agent continues to be retained by the Landlord. The Letting Fee will be payable for each agreement granted to new tenants. An Administration Fee of £ _____ will be payable on the occasion of each renewal of an existing agreement.
- (c) Preparation of Inventory
Charges for preparation of an inventory and schedule of condition are £ _____ per hour (including office time), with a minimum charge of £ _____. The Agent will be pleased to provide an estimate for the property upon request.
- (d) Sale of Property
In the event of a tenant or prospective tenant or any other person or organization introduced by The Agent completing the purchase of the property at any time, a commission will be payable by The Owner to The Agent equivalent to one and one half percent of the selling price.

I/we* confirm that I/we* have read this Agreement and wish to appoint The Agent to act on my/our* behalf in accordance with the Service, Notes, General Terms and Fees as herein laid out. I/we* further confirm that I am/we are* the sole owner/joint owners* of the property.

Full address of property to be Let and Managed _____

Signed: _____

Print Name/s: _____ Date: _____
(IF PROPERTY IS JOINTLY OWNED ALL PARTIES SHOULD SIGN)

Signed by or on behalf of Agent: _____ Date: _____

*Delete as applicable