

TERMS OF BUSINESS AND NOTES

TERMS OF BUSINESS

Our Services and Fees

Introductory /Finders Only Service one off fee of 60% inc. VAT (minimum of £480 inc VAT) (e.g. if the rent is £1000 per month then our fee will be £600 inc. VAT and if the rent is £800 or below per month then fee would be £480 inc. VAT)

- Holding keys to the property
- Accompanying prospective tenants when viewing the property
- Finding a suitable tenant, negotiating a suitable rent, obtaining references (financial and other as you may require or seem prudent e.g. personal and employment)
- Collecting and holding a deposit as Stakeholder (see below for further details) (a fee of £60 inc VAT is chargeable for Introductory Only Landlords for the initial tenancy term then a further £30 inc VAT is payable on extensions to keep the deposit registered-failure to keep the deposit registered will result in the deposit no longer being protected meaning that you won't be able to use the free arbitration services available under TDS and could mean that the deposit has to be returned to the tenant in full regardless of whether there are dilapidations or not) **Please see attached leaflet for more information**
- Preparing a tenancy agreement acceptable to both parties (fee as per attached Terms of Business)

Letting Service 9.6% pcm inc VAT ongoing for duration of tenancy and any extensions (e.g if the rent is £1000 per month then the fee payable would be £96 inc. VAT per month)

Same as above but also includes:

- Collecting rent and paying it directly to the Landlord after any fee deduction
- Informing all utility companies and reading meters, arranging for the preparation of an inventory and check-in with the tenant
- At the end of the tenancy arranging for the check-out of the inventory, meter readings and transferring all utilities back into the landlords name and collection of keys
- Arranging for refund of the balance of the deposit to the tenant (less any agreed charges for repairs, replacements and cleaning)

Managed Service 12% pcm inc VAT ongoing for duration of tenancy and any extensions(e.g if the rent is £1000 per month then the fee payable would be £120 inc. VAT per month)

Same as above but also includes:

- Arranging payment of Landlords final utility, council tax invoices
- Attending to any inquiry by the tenant during the tenancy e.g. arranging for contractors to carry out appropriate repairs and make payment from rent received
- Inspecting the property regularly at least every 3 months and reporting to Landlord. Please note this is not a structural survey and is a report on the internal condition of the property only.
- Arranging payment of any Landlords outgoings e.g. service charge, insurance etc if advised to

Other Charges

A charge of £150 inc VAT is payable for drawing up the Tenancy Agreement and holding and registering the deposit. This applies to all the above Services.

As owner of the property, you are responsible for paying the following charges:

- Negotiating any extensions to the Tenancy Agreement and drawing up the Addendum. This will be carried out at a cost of £120 inc VAT. Only applicable to introductory only landlords only.
- Initial telephone line connection
This is a one off charge to install a landline into a property. This usually costs anything up to £124.99 and is payable to BT.
- Service charge and ground rent (only applicable to Leasehold Properties)
This is payable to the Managing Agents of the development. When renting out a leasehold property, the Landlord must inform the Managing Agents of their address so that all correspondence and invoices are sent directly to them. The Landlords should also inform the Managing Agent that the property is being rented out. Some Managing Agents charge Landlords an administration fee for sub-letting the property
- Landlords Gas Safety Check and Certificate (if applicable)
This is a statutory obligation on all Landlords who rent out properties with gas appliances and is provided for under The Gas Safety (Installation & Use) Regulations 1998 – see below for further details.
This is payable to a Gas Safe engineer and usually costs £60.00 inc VAT
- Inventory Report
The Inventory Report is prepared by independent Inventory Clerk and therefore incurs additional costs payable by the Landlord. The cost of this depends on the size of the property and whether it is furnished or not. As this is undertaken by an Independent Inventory Clerk, Robert Powell & Co Residential Lettings Ltd cannot be held responsible for any inaccuracies or omissions.

- Managing when instructed to Introductory or Letting Services
If the Landlord has instructed us to undertake the Introductory Service or the Letting Service and we are subsequently required to undertake any management duties then a charge of £60 per hour inc VAT will be charged to the Landlord for such Services. Alternatively, the terms of our appointment can be amended in writing to the Managed Service basis
- Carrying out Inventory Report check-outs on Introductory Only properties
If the Landlord on an Introductory Only service wants us to undertake the inventory report check out with the tenants then this will be carried out at a cost of £180 inc VAT (payment upfront will be required before the check-out is carried out)
- Energy Performance Certificates
This is a statutory obligation on all rental properties. This details how energy efficient the property is and lasts for 10 years. An EPC needs to be carried out before the property can be put on the rental market. The cost to carry this out is £96 inc VAT and is payable when the Acceptance Form is returned to us either by cheque made payable to Robert Powell & Co Residential Lettings or BACS transfer (bank details provided upon request). You can arrange this yourself by going to <https://www.epcregister.com/> where registered assessors are detailed.
- Legionella Risk Assessment
It is now a legal requirement that all Landlords of residential properties must have a Legionella Risk Assessment completed every two years to comply with the law. The cost to carry this out is £120 inc VAT

Termination of Instructions:

Either party has the right to terminate this agreement in writing:

- upon the occupier's vacation of the premises;
- if we break any important term or condition of this agreement during the term of an occupancy agreement where thirty days written notice of the breach has been given by the other party, the breach has not been remedied and monetary compensation is wholly inadequate;
- if you are in major breach of any of the terms contained in this agreement or if you do or do not do something which makes it impossible, impractical or illegal for us to continue to perform our obligations under this agreement.
- either party carries out or suggest that the other should carry out any form of unlawful discrimination

If we terminate this agreement for any reason you will remain liable for our commission at the Let Only percentage and for any fees or costs we might incur on your behalf in transferring our obligations to you or to someone you might nominate

We reserve the right to assign our rights or obligations under this agreement upon giving you one month's written notice

NOTES

1. Responsibility for Maintenance, Repair and Damage:

We accept no liability or responsibility for the maintenance or repair of or for any damage to the property while unoccupied. If the property is vacant when adverse weather conditions are likely, frost damage may occur to water and heating systems and sanitary appliances. You are strongly recommended to take all necessary action to protect your property from such risks and to ensure that you have adequate insurance cover.

2. Non-Payment of Rent

Where we are responsible for rent collection we will use our best endeavours to collect rent due but Landlords should be aware that any failure to pay rent is the tenants responsibility. You will be informed of any rent arrears or breaches of contract brought to our attention. It is the Landlords responsibility to instruct a solicitor to take further action against a tenant for rent arrears or breach of contract and also their responsibility to settle any costs incurred

3. Keys:

We undertake not to release keys to the property to persons wishing to view or otherwise inspect it unless requested in writing by the Landlord

4. Disclosure of Personal Interests:

We are not aware of any personal family or business relationship which exists between Robert Powell & Co. Residential Lettings Ltd (including employees and associates) and you. It is agreed you will notify us at once if you become aware of any such relationship. In such circumstances, all relevant facts would need to be given to a prospective Tenant before negotiations begin.

5.1 Tenancy Deposits

5.1.1 The Agent is a member of the Tenancy Deposit Scheme, which is administered by:

**The Dispute Service Ltd
1 The Progression Centre
42 Mark Road
Hemel Hempstead
Hertfordshire
HP2 7DW
Phone: 0300 037 1000
Email: deposits@tenancydepositsscheme.com
Fax: 01442 253193**

5.1.2 If we are, the Agent, is instructed by you, the Landlord, to hold the Deposit, we, the Agent, shall do so under the terms of the Tenancy Deposit Scheme

5.1.3 The Agent holds tenancy deposits as Stakeholder.

5.2 At the end of Tenancy covered by the Tenancy Deposit Scheme

- 5.2.1 If there is no dispute we, the Agent, will keep any amounts agreed as deductions where expenditure has been incurred on behalf of the Landlord, or repay the whole or the balance of the Deposit according to the conditions of the Tenancy Agreement with the Landlord and the Tenant. Payment of the Deposit will be made within 10 working days of written consent from both parties
- 5.2.2 If, after 10 working days following notification of a dispute to the Agent/Member and reasonable attempts have been made in that time to resolve any differences of opinion, there remains an unresolved dispute between the Landlord and the Tenant over the allocation of the Deposit it will (subject to point 7 below) be submitted to the ICE for adjudication. All parties agree to co-operate with any adjudication.
- 5.2.3 When the amount in dispute is over £5000 the Landlord and the Tenant will agree by signing the Tenancy Agreement to submit the dispute to formal arbitration through the engagement of an arbitrator appointed by the ICE although, with the written consent of both parties, the ICE may at his discretion accept the dispute for adjudication. The appointment of an arbitrator will incur an administration fee, to be fixed by the Board of The Dispute Service Ltd from time to time, shared equally between the Landlord and the Tenant. The liability for any subsequent costs will be dependent upon the award made by the arbitrator
- 5.2.4 The statutory rights of either you, the Landlord or the Tenant(s) to take legal action against the other party remain unaffected.
- 5.2.5 It is not compulsory for the parties to refer the dispute to the ICE for the adjudication. The parties may, if either party chooses to do so seek the decision of the Court. However, this process may take longer and may incur further costs. Judges may, because it is a condition of the Tenancy Agreement signed by both parties, refer the dispute back to the ICE for adjudication. If the parties do agree that the dispute should be resolved by the ICE, they must accept the decision of the ICE as final and binding.
- 5.2.6 If there is a dispute we must remit to The Dispute Service Ltd the full deposit, less any amounts already agreed by the parties and paid over to them. This must be done within 10 working days of being told that a dispute has been registered whether or not you or we want to contest it. Failure to do so will not delay the adjudication but The Dispute Service Ltd will take appropriate action to recover the deposit and discipline us.
- 5.2.7 The Agent must co-operate with the ICE in the adjudication of the dispute and follow any recommendations concerning the method of the resolution of the dispute

5.3 Incorrect Information

The Landlord warrants that all the information he has provided to the Agent is correct to the best of his knowledge and belief. In the event that the Landlord provides incorrect information to the Agent which causes the Agent to suffer loss or causes legal proceedings to be taken the landlord agrees to reimburse and compensate the Agent for all losses suffered.

At the end of a Tenancy the deposit will only be released to the tenant once the final inventory check out has been carried out, the necessary dilapidations deducted and we have the written authorization from the Landlord to do so, or if appropriate an Order from the relevant Court, Tribunal or Arbitrator. No interest will be payable to a Landlord in respect of such deposits.

6. Maintenance (managed service only)

Any maintenance issues that arise where the cost is over £100 to repair / replace faults will be put to the landlord for authorisation before works commence (unless it is an emergency requiring immediate action)

7. Cleaning

Before the start of all new tenancies, properties need to be professionally cleaned. This is to avoid any potential problems at the end of the tenancy and to ensure that the tenant is liable for the property to be professionally cleaned at the end of the tenancy

8. Consumer Protection from Unfair Trading Regulations 2008

In marketing the property, Robert Powell Residential Lettings is legally obliged to ensure that all information is accurate, not misleading and does not omit material information. You must make us aware of any matter which may be material to a tenant.

9. The Property Ombudsman

We are a member of The Property Ombudsman (www.tpos.co.uk) and our membership number is D03607

LEGAL REQUIREMENTS

1. Tax – Overseas Landlords

If the owner of the property is considered by the Inland Revenue as a non-resident for taxation purposes, we are required to withhold tax from rental income unless specifically exempted by written authority from the Inland Revenue, and to pay such tax over quarterly to the Inland Revenue. Failure to inform us of all the relevant information will mean that we have to deduct tax at the basic rate which is currently at 20%.

Under the Finance Act 1995, a Landlord can apply for an “Exemption” to be issued to us and for rents to be paid to you gross, subject to you submitting an Annual Statement of Income and Expenditure and net tax liability to the Inland Revenue. ONLY you as a Landlord can make applications for Exemption which, if granted, will be issued to the Letting Agent DIRECT.

Therefore you must complete the NRL 1 form (obtained from the Inland Revenue at their Bootle office, tel 0151 472 6208 or www.inlandrevenue.gov.uk/cnr) and the Revenue will usually issue you with an approval number when they receive these forms and check your tax file at a later date. Your local tax office will be able to give you all the information you need regarding this matter.

2. The Gas Safety (Installation & Use) Regulations 1998

The above legislation is statutory and therefore every Landlord who rents out a property with gas appliances and flues in must ensure that these appliances are maintained in a safe condition so as to prevent risk of injury to any person by ensuring that these appliances are safety checked every 12 months by a registered Gas Safe engineer and an appropriate certificate issued. A copy of the certificate needs to given to the incoming tenant as well as being kept on the Agents file. Robert Powell & Co Residential Lettings can organise the Gas Safety Check on your behalf. However, if you arrange for this to be carried yourself you will still need to provide us with a copy of the Safety Certificate for our files.

2.1 Installation of gas flue inspection hatches – Flues concealed in voids

It is a legal requirement to enable your gas boiler servicing engineer to access the flue for your boiler when he carries out a service or any works on your boiler system. This means that if the flue is concealed within the ceiling voids of your property then inspection hatches will have to be fitted so that the flue can be inspected fully. The number of hatches required in your property depends on how the flue is run through the property. **Failure to comply with the legislation from 1st January 2013 will mean that any gas engineer working on your boiler will not be able to provide a gas safety certificate. They will also recommend that your boiler is turned off until the legislative requirements are met.**

3. The Electrical Equipment (Safety) Regulations 1994

These Regulations impose an obligation on the Landlord to ensure that the earthing and insulation of all electrical appliances in the property are safe. Cabling fuses and plugs should also be inspected and if necessary replaced with the correct rating for that particular item.

4. The Furniture & Furnishings (Fire), (Safety) Regulations 1988 as amended

These impose a statutory obligation on any Landlord to ensure that his furniture including soft furnishings comply with the regulations. It is an offence to let a property with any furniture or furnishing which do not comply with these Regulations. Most furniture that complies with the Regulations should have a fire certificate label attached to it. If this is no longer evident on the furniture you must establish where the item was purchased from and when. If you are unsure whether the furniture does comply then it should be removed from the property before it is let.

5. Smoke Detectors

From 1st October 2015 all rental properties must have an operational smoke detector fitted on every floor. These will need to be changed every 5 - 10 years, depending on the manufacturer.

6. Carbon Monoxide Detectors

There is no current law requiring a Landlord to install a Carbon Monoxide Detector in their property. However, it is strongly recommended that a CO2 Detector is installed in properties with gas appliances as a landlord could be held liable should injury be caused by a fault on one.

7. The Right To Let

a) Mortgaged Properties

Where a property is subject to a mortgage then the Landlord will need to obtain permission from the lender to rent out their property before the property can be let. It is the Landlords responsibility to obtain the Lenders permission and it is recommended that this is applied for at the earliest opportunity. By signing the contact with us you are confirming that you have the right to instruct us to let the property. We may require confirmation of the Lenders consent to let the property

b) Leasehold Properties

If the property is leasehold then the Landlord must ensure that letting is allowed under the terms of the lease and whether written permission is required for an owner to sublet. It is recommended that this is undertaken at the earliest possible opportunity and we may require confirmation of the Freeholder consent.

8. Insurance

It is strongly recommended that Landlords ensure that they have adequate buildings and contents insurance for the property. This applies to all properties whether let furnished or unfurnished. A Landlord should also ensure that their Insurance company are aware that the property is let out otherwise the insurance policy may be invalid

9. Energy Performance Certificates

This is a statutory obligation on all rental properties from 1st October 2008. This details how energy efficient the property is and lasts for 10 years. An EPC needs to be carried out before the property can be put on the rental market and inserted into all marketing material

10. Landlord Liability for Water Bills

[Section 45 of the Flood & Water Management Act 2010](#) contains provisions which require landlords to give information about their tenants to the relevant water company. A failure to do so will leave the landlord jointly and severally liable for the water bill alongside the tenants.

At the moment the section has been brought into force (in October 2010) but only for the purpose of making secondary legislation to set out how it will work in practice. It is believed that this will include the setting up of websites by the various water companies to make the provision of the necessary information as simple as possible.

There is scope for landlords to be exempt from liability for the provision of false or incomplete data provided that they have taken such reasonable steps as are specified in the regulations to ensure that the data is accurate. The secondary legislation will probably be in force from October 2011 and the obligation will therefore come into effect from that date.

11. Legionnaires Risk Assessment

There has recently been a change in the HSE legislation regarding the control of legionnaires disease. This change now means the legislation applies to residential lettings, whereas before these were not covered due to their size.

The changes now mean that all residential lettings must have a legionella risk assessment carried out to assess the risk of the properties, which then allows for a suitable control scheme to be implemented.

Full details can be found in the revised **Approved Code of Practice (ACOP) and guidance Legionnaires' Disease - The Control and Legionella Bacteria in Water Systems**

12. Right to Reside Checks

As from 1st February 2016, under the Immigration Act 2014, it is the landlord's responsibility to ensure that all tenants have the right to rent in the UK by making and keeping a copy of passports for all tenants and evidence of their immigration status (biometric residence permit). Robert Powell Residential Lettings Ltd will undertake tenant checks to the best of our ability but we cannot accept liability for any subsequent issues which arise either directly or indirectly from our actions in this respect. Please note that the penalty for non-compliance is up to £3000 per tenant.

13. Money Laundering Regulations

In order to comply with the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007, we, Robert Powell Residential Lettings, are required to get all our clients to provide us with Photo ID together with proof of address which needs to be dated within the last 3 months. Clients' identity will be subject to an electronic identity check.

Below is a list of acceptable identity documents. We require sight of all original or certified documents. Subject to your individual circumstances, Robert Powell Residential Lettings may liaise with you for further/other documentation.

Individual identity documents

We will require one document from List A and one recent document from List B dated within the past 3 months

LIST A - IDENTITY DOCUMENT

- Current signed passport
- Valid UK driving licence
- EEA member state identity card

LIST B - PROOF OF ADDRESS

- Utility bill
- Mortgage statement
- Bank / building society statement
- Valid UK driving licence (if not used for List A as ID)
- State pension benefits book
- Home or motor insurance certificate
- Current local authority tax bill / tenancy agreement
- Solicitors letter confirming house purchased/ land registration
- NHS Medical card

Limited company

If you are acting as a Representative of a UK Company we will also require the following:

Certificate of Incorporation

Articles of Association

Memorandum of Association

Latest Annual Return or Confirmation Statement, with details of current company officers

If offshore, nominee director declaration and a general power of attorney

Individual identity evidence from List A and B for all individuals or entities with 25% or more of the shares or voting rights in the company

14. Alterations

We reserve the right to alter the above terms when deemed necessary

15. Right to Cancel

The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013

If you sign this contract away from our offices, either following face to face negotiations or if all the negotiations have been by phone or email and you have never dealt face to face with our representative, the following applies:

- a) You have the right to cancel this contract within 14 days without giving any reason.
- b) The cancellation period will expire after 14 days from the day you sign this agreement.
- c) To exercise the right to cancel, you must inform us of your decision to cancel this contract by a clear statement sent to us by post to **7 Church Road, Edgbaston, Birmingham B15 3SH**, fax to **0121 454 5577** or email to **lettings@robertpowell.co.uk**.

- d)** You may use the cancellation form below but it is not obligatory.
- e)** To meet the cancellation deadline it is sufficient for you to send your communication, concerning your exercise of the right to cancel, before the cancellation period has expired.
- f)** If you cancel this contract we will reimburse to you all payments received from you. We will make the reimbursement without undue delay and not later than 14 days after the day on which we are informed about your decision to cancel this contract.
- g)** Under the Cancellation Regulations, we are not legally permitted to market your property until the cancellation period has expired, unless you provide us with specific written permission to do so. You may do this by signing the attached acceptance form

Notice to Terminate marketing instructions

14 days cooling off period

**To Robert Powell Residential Lettings Ltd, 7 Church Road, Edgbaston,
Birmingham B15 3SH. Tel: 0121 454 3322, Fax: 0121 454 5577 and email:
lettings@robertpowell.co.uk:**

I/We [*] hereby give notice that I/We [*] cancel my/our [*] for the supply of the following service [*],

Ordered on [*]/received on [*]:

Name of Landlord(s):

Address of Landlord(s):

Email address of Landlord(s):

Telephone number of Landlord(s)

Signature of Landlord(s)

Date

PLEASE NOTE: If you request in writing that we begin performance of the service offered, and then you subsequently exercise your right to cancel, you shall pay us an amount which is in proportion to the work we have done, until you have communicated to use your cancellation.

**ACCEPTANCE FORM
OF OUR TERMS OF BUSINESS**

An agreement made on the day of 20

Between

Of

And **Robert Powell & Co Residential Lettings Ltd** (The Agent)

Of **7 Church Road, Edgbaston, Birmingham B15 3SH** (Agents Address)

Whereby it is agreed as follows:

The Landlord appoints Robert Powell & Co Residential Lettings Ltd to be their agents in respect of

And if Robert Powell & Co Residential Lettings Ltd are successful in introducing a suitable tenant to the above property then the Landlord shall be responsible to pay our fees for the Service instructed to be provided

Please indicate below which service you require (please see our Terms of Business for a detailed description of each service):

Introductory Service

Letting Service

Fully Managed Service

Under the Unfair Terms in Consumer Contracts Regulations 1994 we are legally required to ensure that our Terms of Business are fully understood and acceptable to you. If you do not understand or do not wish to accept any of our Terms then please do not hesitate to contact us and we would be pleased to discuss them with you. By signing our Acceptance Form it is assumed that you are accepting our Terms of Business and accept that they are reasonable.

Under the Cancellation Regulations we cannot begin providing you with the service under these terms unless you have requested that we begin the service in writing. You may do this by signing below:

REQUEST for us to begin marketing the property and all other services, as set out in this agreement, during the cancellation period:

I/We hereby give notice that I/we have read the Notice of the Right to Cancel (in attached Terms of Business) and I/we request you to begin to market the property for let and all other services as set out in this agreement.

I / We being the freehold/ leasehold owner(s) of these properties accept these Terms of Business and Notes, and authorise you to proceed with the letting on this basis.

Signed by Landlord: Print:

Signed on behalf of Robert Powell: Print: