



TERMS & CONDITIONS

(Lettings with/or without Additional Property & Tenancy Management Service)

THIS AGREEMENT IS MADE ON THE 07 May 2021
(Date)

BETWEEN

“The Landlord” EXAMPLE COPY

AND

“The Agent” HNC Property Management Limited
 Company number: 10123232
 Registered Office address:
 Powys Lodge
 Court Road
 Strensham
 Worcester
 WR8 99LP

 Office address:
 28 Slyne Road
 Bolton le Sands
 Carnforth
 LA5 8BG
 (Name and address of the letting agent)

CONCERNING

“The Property” EXAMPLE COPY

(Address of the property to be let)

AGREEMENT TYPE Let-only / Fully managed *delete appropriate.

IT IS HEREBY AGREED AS FOLLOWS

1. Interpretation

- 1.1. Except where the context requires otherwise, words importing the masculine shall include the feminine; words importing the singular shall include the plural; words importing natural personage shall be equally applicable to corporate personage; and vice versa.
- 1.2. References to any statutory provision, authority, rule or code of practice shall be deemed to include the amended versions, replacements or successors of such.

2. Relationship Between the Parties & Term of Agreement

- 2.1. The Landlord appoints the Agent as an agent for the purpose of actively marketing a lease of the Property to potential tenants (and of managing that Property if fully managed package agreed)
- 2.2. The Landlord authorises the Agent to sign any tenancy agreement under which a lease of the Property is granted on behalf of the Landlord wherever he is unable to sign this himself, and to bind the Landlord to this agreement. The Agent will not sign a tenancy agreement except on the Landlord's express instruction.
- 2.3. No term of this agreement or course of dealings between the parties shall operate to make the Agent an employee or agent of the Landlord.
- 2.2. Neither party shall assign or transfer any of their rights, liabilities or obligations arising under this agreement without the prior written consent of the other party.

3. The Landlord's Warranties as to Title and Consents Etc.

- 3.1. The Landlord warrants and guarantees that:
 - a) He is the owner of the freehold interests in the Property or that if he is himself a tenant then all of the following conditions are met:
 - i. The Landlord's lease permits him to sub-let the property.
 - ii. The unexpired term on the Landlord's lease is greater than the term of the sub-lease which he himself intends to grant.
 - iii. The Landlord has obtained his landlord's written permission to sub-let the property.
 - b) Where the Property is subject to a mortgage, the Landlord has at the time of entering into this agreement obtained the written consent of the mortgagee.
 - c) He has obtained appropriate and adequate buildings and contents insurance and that his policy covers lettings.
 - d) Any furniture supplied with the property conforms to the *Furniture & Furnishings (Fire) (Safety) (Amendment) Regulations 1993*.
 - e) Any and all electrical equipment or gas installations have been recently serviced and an applicable safety certificate has been issued.
- 3.2. The Landlord shall indemnify the Agent in respect of any loss or damage, direct or indirect and howsoever caused, which arises from a breach of any of these warranties by the Landlord.

4. Lettings Services Provided by the Agent (Let-only & Fully-managed contracts)

- 4.1. The Agent agrees to undertake the following services for the Landlord in respect of letting the Property:
 - a) To undertake a market appraisal of the Property in order to determine a recommended rent.

- b) To prepare marketing materials for publication at the Agent's premises, on the Agent's website, Zoopla, via social media and other outlets (at the discretion of the Agent)
- c) To field enquiries from potential tenants and arrange and conduct viewings of the Property.
- d) To negotiate with potential tenants regarding the terms of the tenancy agreement (albeit that the Agent will only provide a tenancy agreement if the terms fall in line with his standard form agreement and where any specialist or custom terms are agreed, it shall be the responsibility of the Landlord to bear the cost of drafting the agreement).
- e) To take up references and right to rent checks for prospective tenants albeit that the Agent will not bear the burden of any charges for company investigations, nor shall the Agent provide any warranty as to the suitability of a tenant.
- f) To collect any dilapidation or rent deposits which are required and to hold these as stakeholder.
- g) The Agent cannot be held responsible for any damage to the property by the tenant or for any debts incurred by a tenant
- h) To notify utility companies and the relevant local authority of the commencement of the tenancy.

5. Property & Tenancy Management Services Provided by the Agent (Fully managed contracts only)

- 5.1. The Agent agrees to undertake the following services for the Landlord in respect of managing the Property or the occupation of the Property under any let arranged:
- a) To demand and collect rent from the tenants on behalf of the Landlord and to forward that rent to the Landlord and provide regular rent statements.
 - b) To collect and log the tenant's deposit in approved Tenancy -Deposit Scheme within 30 days of receiving it and issuing prescribed information.
 - c) To Prepare an inventory and condition report. The report will be prepared in good faith, but the eventual accuracy of the inventory and condition report lies with the Landlord and Tenant, the Agent cannot accept any responsibility whatsoever as for the accuracy or legal effect of the document.
 - d) In the case of emergency, where an issue is a risk to health, if the Landlord cannot be contacted, The Agent will arrange for necessary remedial work to be carried out and The Owner agrees to pay for this work.
 - e) Where the Landlord specifically requests and authorises separately in writing, and where this is agreeable to the Agent, to pay on behalf of the Landlord any current outgoings such as council tax, insurance premiums or service or management charges. The Agent shall be entitled to deduct the cost of these outgoings from any rent collected before forwarding that rent to the Landlord and shall account to the Landlord regularly in respect of these outgoings.
 - f) To investigate (on a non-expert basis) any defects which are clearly brought to the Agent's attention by the tenants.
 - g) To advise on issues of compliance to current regulations and, at the agreement and cost of The Owner, where required ensure the property complies with such regulations by arranging checks and testing fittings.
 - h) To take appropriate action in the event of rent arrears or breaches to the tenancy agreement in an effort to remedy the situation. Where the issue persists, The Agent will inform The Owner who will be responsible for taking further action and meeting any costs involved.
 - i) The Agent cannot be held responsible for any rent arrears of the tenant or for any debts incurred by a tenant.
 - j) To inspect the Property as required by the Landlord, although the Agent's inspection shall extend only to an investigation of the state and manner in which the tenants keep the Property and any obvious and apparent defects. The Agent accepts no responsibility for any structural, latent or hidden defects.
 - k) To arrange for the Property to be professionally cleaned between tenancies where required (albeit that

the cost of such will be deducted from the dilapidation deposit provided by the outgoing tenants or shall be charged to the Landlord).

- l) To commission and arrange on behalf of the Landlord minor repairs to the Property up to a maximum of £50 in respect of any one item, defect or problem.
 - m) Wherever practical, to arrange for quotes and estimates to be submitted to the Landlord for approval in respect of any work, repair, redecoration or refurbishment which is likely to cost more than the figure mentioned in 5.1.k.
 - n) The Agent will not be responsible for any work undertaken by contractors that have been instructed by the Agent in good faith on behalf of the Landlord.
- 5.2. The Agent shall continue to carry out management duties under this section (and shall continue to be entitled to his additional commission in respect of these duties as set out in 6.4 below) until these services are terminated in accordance with this agreement.
- 5.3. The Agent shall not be liable to supervise the property during any period when it is not let or when the Landlord is in the process of finding a tenant, although periodic visits may be made by the Agent. The Agent will inspect the property as required by the Landlord, although the Agent's inspection shall extend only to an investigation of the obvious and apparent state of the property and any defects. The Agent accepts no responsibility for any structural, latent or hidden defects or security issues.

6. Payments and Commissions (Let-only & Fully-managed contracts)

- 6.1. On finding a potential tenant who is accepted by the Landlord or whom the Landlord has given the Agent authority to accept on his behalf, and assuming that the prospective tenant enters into a tenancy agreement, the Agent shall be entitled to a commission.

- 6.2. a) The commission payable to the Agent in respect of arranging & setting up the tenancy **if the service provided is Let-only**, shall be £400.00
b) The commission payable to the Agent in respect of arranging & setting up the tenancy **if the service provided is fully managed**, shall be £275.00.

- 6.3. The Agent's commission in respect of arranging the tenancy shall be payable in full at the commencement of the tenancy and the Agent shall be entitled to receive this payment in full from the first month's rent albeit that:
- a) where the first month's rent is greater in value than the Agent's commission the Agent shall account to the Landlord in respect of the remainder.
 - b) where the first month's rent is less than the value of the Agent's commission the Agent shall invoice the Landlord in respect of the shortfall.

- 6.4. Where the agent provides property or tenancy management services to the Landlord, he shall be entitled to a commission of £45.00 per month, due to be paid in advance of the period in which the Agent provides these management services. This commission shall be due for payment on a monthly basis for as long as the management services are provided.

- 6.5. Where the agent provides services outside of the contracted scope of work included in section 5.1-5.3, time will be invoiced at an hourly rate of £25.00 per hour. This includes, but is not limited to, work such as project management of renovation between tenancies, court appearances, meeting with local authority housing inspectors. In the event of the rental property falling outside of a radius of 15 miles of LA5 8BG, the cost of fuel will be charged at 45p/p mile.
- 6.6. The Agent may change the fees for services mentioned in 6.2 and 6.4. at any time after the initial six-month period after signature. Such changes will become effective after 30 days' notice served on the other at his address as set out at the head of this agreement by personal service, registered post, first-class post or by email address regularly used.
- 6.7. Failure to settle any payments due to the Agent within the agreed time frames shall entitle the Agent to claim, in addition to the sums due, interest on those sums at a rate of 8 percentage points per annum

above the Bank of England base rate.

- 6.8. Where the Agent arranges the annual gas safety certificate, the cost of the certificate will be passed directly to the Landlord, the usual cost is between £50.00 and £65.00 depending on the number of appliances in the property. There is an additional cost if there is a gas fire. This may be subject to amendment with no notice as it is dependent on the invoice received from the gas fitter.
- 6.9. Where the Agent arranges an energy performance certificate (EPC), the cost of the certificate will be passed directly to the Landlord, the usual cost is £47.50. This may be subject to amendment with no notice as it is dependent on the invoice received from the energy assessor.
- 6.10. Where the Agent arranges any property maintenance work through the contracted handyman, the cost of the work will be passed directly to the Landlord, the usual cost per hour is £25.00 for the first hour and £15.00 an hour for any additional hours. This may be subject to amendment with no notice as it is dependent on the invoice received from the handyman.
- 6.11. Where the Agent arranges any cleaning through the contracted cleaner, the cost of the work will be passed directly to the Landlord, the usual cost per hour is £12.00 plus VAT for the first hour and £15.00 an hour. This may be subject to amendment with no notice as it is dependent on the invoice received from the cleaner.

7. Cancellation and Direct Dealing (Let-only & Fully managed contracts)

- 7.1. Where the Agent informs the Landlord that he has located a prospective tenant who is willing to enter into a tenancy agreement and the Landlord agrees to the Agent taking up references, and the Landlord subsequently decides to cancel the Agent's services or engage another agency or let the Property directly, the Agent shall be entitled to a fee of £400.00.
- 7.2. Where the Agent informs the Landlord of the name of an interested party and that party subsequently enters into a lease of the property directly with the Landlord, the Agent shall be entitled to a fee of £400.00.

8. Termination (Fully-managed contracts)

- 8.1. Where this agreement is terminated the Agent shall cease to carry out any further property and tenancy management duties and shall not be entitled to further commissions in respect of these management duties as set out in section 6.4 of this agreement.
- 8.2. This agreement will continue on indefinitely until such a time it is terminated by either party or a tenancy comes to an end and the Landlord decided not to relet the property with the Agent. It may be terminated after a minimum six-month term, by either party upon 30 days' written notice served on the other at his address as set out at the head of this agreement by personal service, registered post or first-class post. Notice sent by post shall be effective 48 hours after sending.
- 8.3. Without prejudice to the above, this agreement may be terminated immediately where any of the following circumstances arise:
 - a) Either party commits a serious breach or persistent breaches of this agreement including but not limited to the non-performance, neglect or default of any of his duties as outlined herein (including a failure on the part of the Landlord to make payment within agreed timescales) and after notice of this breach has been given to the defaulting party it remains unremedied and unrectified 30 days after such notice.
 - b) The Agent commits any act of fraud or theft against the Landlord.
 - c) Either party becomes insolvent or enters into a CVA or IVA or ceases to trade.
- 8.4. Upon termination of this agreement, outstanding payments in respect of service provided by the Agent shall become immediately due for payment.

9. Statutory Requirements

- 9.1. The *Landlord and Tenant Act 1987* requires the Agent to include on all rent demands served on the Landlord's behalf the Landlord's full name and address in England and Wales at which notices and proceedings may be served on him. If the Landlord resides outside England and Wales, and unless otherwise instructed, the Agent shall give his registered office or Landlord place of business as the address for service. The Agent will endeavour to forward any notices or proceedings to the Landlord promptly; he cannot accept any responsibility for loss or damage caused either directly or indirectly as a result of this.
- 9.2. Where the Landlord resides abroad, HM Revenue and Customs will hold the Agent responsible for payment of the Landlord's tax liability in respect of rents received on the Property. It is the responsibility of the Landlord to obtain any necessary exemptions, and failing this the Landlord authorises the Agent to deduct income tax at the prevailing rate from any gross rent received and to pay this to HM Revenue and Customs as directed. The Landlord shall indemnify the Agent in respect of any administrative expenses which he incurs in doing this.

10. Disclaimers and Exclusions

- 10.1. The Agent shall not be responsible in any circumstances to the Landlord or any third party for any indirect or consequential or inconsequential or economic damage or loss, howsoever caused, whether as a result of negligence, misrepresentation, breach of contract or otherwise.
- 10.2. Nothing in the forgoing shall be read as restricting or limiting in any way the Agent's liability for death or personal injury.

11. Indemnity

The Landlord shall indemnify the Agent against any loss or damage which results from the Landlord's breach of this agreement or failure to abide by any of its terms.

12. Force Majeure

Neither party shall be liable for any delay or failure in performing its obligations or duties under this agreement which results from circumstances outside his reasonable control including but not limited to acts of God, industrial action, war, fire, threat of terrorism, civil disturbance or rioting, government or regulatory action, breakdown in plant or machinery, or shortage of raw materials or supplies.

13. Warranty of Contractual Capacity

Both parties and the signatories to this agreement warrant that they are authorised and permitted to enter into this agreement, and have obtained all necessary permissions and approvals.

14. Whole Agreement, Governing Law and Severability

- 14.1. This document constitutes the entirety of the agreement between the parties. It supersedes any prior representations which may have been made, whether orally or in writing. Any modification to this agreement must be made in writing and signed by both parties.
- 14.2. This agreement shall be governed by the Law of England and Wales and the parties agree to submit to the exclusive jurisdiction of the English Courts.
- 14.3. All clauses, sub-clauses and parts thereof shall be severable and shall be read and construed independently. Should any part of this agreement be found invalid this will not affect the validity or enforceability of any other provision or of this agreement as a whole.
- 14.4. All terms, conditions and covenants contained in this agreement shall bind the parties and their heirs, legal representatives, successors to title and permitted assignees.
- 14.5. Nothing in these terms and conditions shall incur any rights on a third party and no third party may enforce any provision of this contract under the *Contracts (rights of Third Parties) Act*.

15. Right to cancel

You have a right to cancel this contract within 14 days without giving any reason. The cancellation period will expire 14 days after the conclusion date of the contract.

To exercise your right to cancel, you must inform us (HNC Property Management Limited 28 Slyne Road, Bolton le Sands, Carnforth, LA5 8BG. 07983773050 hayley@hncproperty.co.uk) of your decision to cancel this contract by a clear statement made by post or email.

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.

If you have requested to begin the performance of services during the cancellation period, you shall pay us an amount which is in proportion to what has been performed until you have communicated us your cancellation from this contract, in comparison with the full coverage of the contract.

Our Privacy Policy can be viewed at <https://hncproperty.co.uk/privacy-policy>

SIGNATURES by signing below, the Agent and Landlord has read and understands the agreement made and accepts its terms and conditions:

Signed Agent:

Signed Landlord:

We use a secure payment system called PayProp to pay our Landlords quickly. PayProp is an automated payment system which allows us to pay our Landlords on the same day as receiving the rent with a rent run at 5pm and 10pm on every day. Please provide the bank account name, account number and sort code of the account into which you want us to pay your rent.

Bank account name:

Bank account number:

Bank account sort code:

LANDLORD OBLIGATIONS

As a landlord, it is important that your property is safe to live in, legally compliant and meets all legal obligations. We can help you to comply with your obligations and require that these obligations are met and upheld throughout our contract. These include:

PROPERTY CONDITION

Your property should be in a professionally cleaned condition as the start of the tenancy and all repairs and maintenance work completed. The property should be in good decorative order. Most tenants prefer a neutral decoration, this also allows for easy redecoration in between tenancies if required. The property often includes a cooker in a professionally cleaned condition. You can also supply appliances such as fridge/freezer, washing machine and tumble dryer (if provided, you are responsible for repair and maintenance of such items and to ensure they meet electrical safety requirements) Where there is no space to dry clothes outside, you might like to consider providing a tumble dryer to help combat condensation issues in the property.

ELECTRICAL EQUIPMENT (SAFETY) REGULATIONS ACT 1994 AND ELECTRICAL SAFETY STANDARDS IN THE PRIVATE RENTED SECTOR (ENGLAND) REGULATIONS 2020

From the 1st of July 2020 new electrical safety legislation will apply for all new specified tenancies (this means any new tenancies and any renewals of existing tenancies onto a new fixed term tenancy.) The new legislation requires the Landlord to provide the tenant with an Electrical Installation Condition Report (EICR) deeming the electrical installation to be safe for continued use before the new tenancy commences. If the installation is already covered by an existing Electrical Installation Condition Report (EICR) that was issued before the new Regulations came into force, there is no need for it to be inspected and tested again. The next re-test date will be stated on the certificate or report. The new regulations require the electrical installation to be inspected and tested at intervals not exceeding five years. However, this interval may be reduced by the inspector if he or she has any concerns regarding the installation. There must also be an inspection if there is a change in tenant. Where any electrical appliances are provided by the Landlord for the use of the tenant a Portal Appliance Test "PAT" test, which tests the individual appliances such be carried out by a suitably qualified person. We recommend all Landlords to have the relevant tests carried out to ensure the electrical system is in a safe working condition. The landlord should provide instruction manuals for electrical items and test them regularly.

APPLIANCES

Any appliance supplied by the landlord should be kept in good working order and be safe to use. All instruction and service manuals should be left in the property and provided to the tenant at the start of the tenancy.

GAS SAFETY (INSTALLATIONS AND USE) REGULATIONS 1998

As a landlord, you must ensure that all gas installations, appliances, flues and pipework in the property have been checked by a Gas Safe Engineer and that a Gas Safety Certificate "GSC" is issued annually. A copy of the GSC must be provided to the tenant at the start of the tenancy. The tenancy is unable to commence without a valid GSC. It is your responsibility as a landlord to ensure that the installations are inspected annually and that a GSC is produced annually and provided to the tenant within 28 days of the certificate being produced.

CARBON MONOXIDE DETECTORS

It is a legal requirement for a carbon monoxide detector to be fitted to any room where there is a solid fuel combustion appliance. The carbon monoxide detector should be checked as working on the start date of the tenancy. We also recommend installation of a carbon monoxide alongside your gas central heating boiler as a precaution.

SMOKE ALARMS

Under building regulations 1992, every new build property built after June 1992 must have mains wired fire alarms with battery backup on every floor of the property. From the 1st of October 2015 all tenanted properties are required to have a fire alarm fitted on every floor where there is a room used solely or partly as living accommodation. All smoke alarms should be tested as working on the first day of the tenancy.

WOOD BURNING STOVES, OIL, SOLID FUEL BURNING AND LPG APPLIANCES

All wood burning stoves, oil, solid fuel and LPG appliances should be serviced annually. All wood burning stoves fitted after 2011 must have an installation certificate.

THE FURNITURE AND FURNISHINGS ACT (FIRE) (SAFETY) (AMENDMENT) REGULATIONS 1993

Any furniture provided in a rented property must comply with The Furniture and Furnishings Act (Fire) (Safety) (Amendment) Regulations 1993 which states that any upholstered or soft furnishings containing foams must meet

the fire safety regulations which require the items to be match resistant, cigarette resistant and carry a permanent label.

MORTGAGE CONSENT

Where you have a mortgage on your property, you may be required to obtain consent to let from the lender. We advise that you contact your lender as soon as you decide to let your property to discuss this.

SUPERIOR LANDLORD CONSENT

Where your property is leasehold, you may need to obtain consent to let your property from the freeholder in accordance with the superior lease. There may also be obligations the tenant needs to be aware within the superior lease so a copy should be provided to the tenant at the start of their tenancy.

KEYS

The tenant should be provided with one full set of keys/fobs per tenant. We will also require a full set of keys if we are managing the property.

CHIMNEY SWEEPING

Chimneys must be swept at the beginning of the tenancy and on an annual basis.

INSURANCE

It is essential that you have building insurance in place at the start of the tenancy. We also advise that you have contents and public liability insurance in place.

LEGIONNAIRES DISEASE

To comply with the Health and Safety Executive's code of practice, landlords are advised to carry out a risk assessment of their property prior to letting, particularly where there are swimming pools, open water tanks or cooling systems.

LANDLORDS TAX

You are required by HMRC to submit details of your rental income. Our owner's app can help to keep a record of income and expenses paid from your rental income before we transfer the balance to you.

NON-UK RESIDENTIAL LANDLORDS TAX

Any landlord living outside the UK can apply for a certificate of self-assessment in order to receive gross rental income. If you do not apply, we are legally obliged under the finance act of 1995 to deduct the current rate of tax from the rental income and pay it over to the Inland Revenue every quarter. You can obtain the self-assessment certificate from the HMRC website.

ENERGY PERFORMANCE CERTIFICATE "EPC"

From the 1st of October 2008, all tenants of residential property must be provided with an energy performance certificate "EPC" at the start of their tenancy. The EPC must be provided by an accredited energy inspector and the certificate lasts for ten years. Under this legislation, we are unable to market a property until we are in receipt of the EPC. From 1 April 2018, all rented property (both domestic and non-domestic) which is to have a new tenancy must have an EPC rating of at least "E". This requirement also applies to all renewal tenancies to the same tenant for the same property on or after 1 April 2018. The duty is also triggered by any periodic tenancy arising on or after 1 April 2018 after the expiry of any fixed term because the duty is not only triggered by a renewal but also "*an extension*". From 1 April 2020, all domestic lettings (including existing) must achieve an "E" rating or better.

RIGHT TO RENT

It is a legal requirement for a landlord to meet and check that all tenants over the age of 18 have the right to rent, and to check their passport and/or visa is the tenant has a time-limited right to rent in the UK. This is in accordance with the Immigration Act 2014.

TENANCY DEPOSIT PROTECTION

From April 2007, all landlords must protect their tenant's deposit in one of three approved tenancy deposit schemes within 30 days of the deposit being paid or from the start date of the tenancy.

DISABILITY DISCRIMINATIONS ACT

Under this act, a tenant is entitled to ask a Landlord to make adjustments to a property to enable them to enjoy the property as much as an able bodied person could. Any adjustments are temporary and are the responsibility of the Landlord.

UTILITY SUPPLIERS AND LOCAL AUTHORITY

We will provide start and end meter readings and dates of occupation to utility suppliers and the local authority. This may include your details for interim billing.

EUROPEAN STANDARDS FOR SAFETY OF INTERNAL WINDOWS AND BLINDS

It is a legal requirement for all new blinds and curtains to be fitted with a safety device and comply with current regulations. More information can be found at www.bbsa.org.uk

HOUSES OF MULTIPLE OCCUPATION "HMO"

A landlord is obliged to obtain a licence from the City Council if the property is let to the following:

- Let as the main or only home to a least three unrelated sharers who share a kitchen or bathroom
- Three or more storeys
- Occupied by five or more people who form more than one household

Regulations for HMO properties differ depending on the Local Authority, however all HMO properties are required to have mains wired fire alarms with a battery backup, a carbon monoxide detector, an Electrical Installation Condition report and PAT testing. The tenancy cannot commence without the HMO licence, failure to comply and obtain a licence could result in a fine to the Landlord of up to £20,000

RETALIATORY EVICTION

The Deregulation Act 2015 introduced Retaliatory Eviction where a tenant cannot be served a section 21 notice where there are outstanding maintenance issues and an improvement notice has been issued by the Local Authority.

IDENTIFICATION AND PROOF OF RESIDENCY

We are obliged to check the identity of all of our clients prior to marketing their property and to obtain proof of residency of our client's normal place of abode; this is to comply with our Money Laundering obligations and to ensure we comply with our legal obligations to HMRC. We also require proof of ownership of the rental property

I/we, the undersigned have read and understand all the information above relating to my responsibilities as a Landlord

Signed Landlord: