

# Agency Agreement

This Agreement is made between the Landlord of the Property (as named at the end of this agreement) and MERIDIAN HOME LET acting as agent for the Landlord and hereinafter referred to as "the Agent". The purpose of this document is to set out clearly and concisely the extent of the letting and management service offered and the scale of fees charged.

## **FULL MANAGEMENT SERVICE**

MERIDIAN HOME LET provides a property management service to owners (and superior landlords) wishing to let out their property. The standard fee for the management is 8% of the monthly gross rents for the period of the tenancy. A set-up fee of £120 will normally be levied at the outset for taking references, excluding inventory charges.

### **The Full Management Service includes:**

- 1: Advising as to the likely rental income.**
  - 2: Advertising and generally marketing the Property.**
  - 3: Interviewing prospective tenants and taking up full references including bank reference, and employer or previous landlord character reference. Where necessary, additional security would be requested by means of a guarantor. In the case of a company, a full bank reference would be taken.**
  - 4: Preparing the Tenancy Agreement and corresponding Notice necessary for the Landlord to gain protection of the relevant Rent and Housing Acts, renewing the Agreement where necessary at the end of the Term.**
  - 5: Taking a deposit from the tenant to be held by the Agent until the end of the tenancy when the Property and contents have been checked for unfair wear and tear.**
  - 6: Collecting the rent monthly and paying over to our Landlord monthly (normally sent within 7 days of collection) less any fees or expenses due or incurred for the period. Payments will be made by direct bank transfer together with a detailed rent statement.**
  - 7: Arranging with service companies (principally electricity and gas) for meter readings and advising them of the transfer of service contracts to the tenant at the beginning of each tenancy.**
  - 8: Act as intermediary between the tenant and Landlord.**
  - 9: Regular inspections of the Property are carried out on a quarterly basis. Responsibility for and management of empty property is not normally included, and will only be carried out by special arrangement.**
  - 10: Co-ordination of repair or maintenance including arranging for tradesmen to attend the Property and obtaining estimates where necessary, supervising works and settling accounts from rents received.**
  - 11: Making payments on behalf of the Landlord from rents received for water rates, insurance premiums, etc.**
  - 12: Carrying out a full property inspection and inventory check at the end of the tenancy and dealing with matters relating to unfair wear and tear before releasing the tenant's deposit.**
- Additional items and other expenses will be charged accordingly.*

## **LETTING & RENT COLLECTION SERVICE**

MERIDIAN HOME LET provides a property management service to owners (and superior landlords) wishing to let out their property. The fee for the Letting & Rent Collection Service is 6% of the monthly gross rents for the period of the tenancy. A set-up fee of £120 will normally be levied at the outset for taking references, excluding inventory charges.

### **Letting and Rent Collection Service includes:**

The letting and Rent Collection Service includes only parts 1 to 8, and 12 from the Full Management Service. Part 9 is optional however an extra charge of £25 will be made for each inspection.

## **LETTING ONLY SERVICE**

Where the Landlord does not wish the Agent to undertake full management or Letting & Rent collection Service, the Agent can provide a Letting Only Service. The Letting Only Service includes only parts 1 to 4 of the Full Management Service as listed above. The fee for the Letting Service is a one off payment of four weeks rent excluding inventory charges.

The fees are payable at the commencement of the Tenancy and will be deducted from monies received by the Agent on the Landlord's behalf. If the tenant leaves prior to the end of the term of the Tenancy, the Landlord shall not be entitled to reimbursement of any fees paid.

**RENEWALS:** Where the Tenancy Agreement is renewed or extended to the same tenant (or any person associated with the tenant) originally introduced by the Agent, a renewal fee of £30 shall be payable on the renewal date. The Agent will prepare the tenancy agreement for the new or extended tenancy.

Although the aim *is* to take every care in managing the Property, Meridian Home Let cannot accept responsibility for non-payment of rent or other default by tenants, or any associated legal costs incurred in their collection. An insurance policy is recommended for this eventuality.

**GENERAL AUTHORITY:**

The Landlord confirms that he/she is the sole or joint owner of the Property and that he has the right to rent out the Property under the terms of the mortgage or head lease. Where necessary, the Landlord confirms that permission to let has been granted by the mortgagee. The Landlord authorises the Agent to carry out the various duties of property management as detailed 1-12 previously. The Landlord also agrees that the Agent may take and hold deposits on behalf of the Landlord. It is declared that the Agent may earn, from time to time, commissions on insurance policies issued.

**INDEMNITY:**

The Landlord agrees to indemnify the Agent against any costs, expenses or liabilities incurred or imposed on the Agent provided that they were incurred on behalf of the Landlord in pursuit of the Agent's normal duties. To assist the Agent in carrying out his duties effectively, the Landlord agrees to respond promptly with instructions where necessary to any correspondence or requests from the Agent.

**MAINTENANCE:**

The Landlord warrants that the Property is made available in good and habitable condition and that the Property, beds, sofas and all other soft furnishings all conform to the current fire safety regulations. The Landlord agrees to make the Agent aware of any ongoing maintenance problems. The Agent will contact the Landlord for permission, before any miscellaneous maintenance work is carried out on the property. It is agreed that in an emergency or for reasons of contractual necessity where reasonable endeavours have been made to contact the Landlord, the Agent may carry out such works. The Agent endeavours to select competent tradesmen at a reasonable price but is unable to personally guarantee the standard of workmanship or any liability arising thereof, although the Landlord retains the right to pursue any claim against appointed tradesmen for substandard work.

**OVERSEAS RESIDENTS:**

When letting property and collecting rents for landlords overseas, the Agent is obliged by the Taxes Management Act (TMA) 1970 (or under similar powers of any future tax legislation) to deduct monies (currently equivalent to 24% of the gross rents) to cover any tax liability. In this situation, the Agent also requests that the Landlord appoints a suitably qualified accountant in order to manage correspondence with the Inland Revenue.

**COUNCIL TAX:**

Payment of Council tax will normally be the responsibility of the tenants in the Property. However, landlords should be aware that where a property is empty, let as 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 in the Property and inform the service companies (electricity and gas) of these readings and change of occupation. In many cases, the service companies (e.g. BT) require that the new occupiers formally request and authorise the service and it is not possible for the Agent to do this on the tenant's or Landlord's behalf. Regarding 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:**

Should it be necessary, the Agent will organise an inventory for the Property. The standard inventory will include all removable items in the Property (except those of negligible value) plus carpets, curtains, mirrors, sanitary-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. The standard inventory service does not include a full schedule of condition (condition, colour & decoration of ceilings, walls, doors & fittings etc.) or photography. The charge for a full schedule of condition is £40.

**INSPECTIONS:**

Under the Standard Management Service, the Agent will normally carry out inspections quarterly starting after the first month. It is not the intention to check every item of the inventory at this stage; the inspection is concerned with verifying the good order of the tenancy (i.e. house being used in a 'tenant-like' manner) and the general condition of the Property.

This would normally include inspecting the main items (carpets, walls, cooker, main living areas and gardens.) Where these were felt to be unsatisfactory, a more detailed inspection would generally be made. Following the departure of tenants, a final inspection of the Property is carried out by the Agent. Testing of all the electrical appliances, heating system and plumbing is not feasible during this inspection; a qualified contractor should be appointed for this purpose should it be required by the Landlord. Any deficiencies or dilapidation's would normally be submitted to the Landlord together with any recommended deductions or replacement values. It is agreed that the Agent's judgement will be final in this matter.

**HOLDING FEES & DEPOSITS:**

A holding fee is generally taken from a tenant applying to rent a property. The purpose of this fee is to verify the tenant's serious intent to proceed, and to protect the Agent against any administrative expenses (taking out bank references, conducting viewings, re-advertising) that may be incurred should the tenant decide to withdraw the application. The holding fee does not protect the Landlord against loss of rent due to the tenant deciding to withdraw, or references proving unsuitable although early acceptance of rent from the applicant would not be advisable until satisfactory references have been received. Landlords should notify the Agent where they wish a larger security fee or deposit to be carried to protect against loss of rents.

Upon signing the tenancy agreement, the Agent will take a dilapidation's deposit, (usually equivalent to six weeks rent at the beginning of the tenancy) from the tenant(s) in addition to any rents due. The purpose of the dilapidation's deposit is to protect the Landlord against damage to the Property during the tenancy itself. From **6 April 2007**, all deposits taken for Assured Shorthold Tenancies in England and Wales must be protected by a tenancy deposit protection scheme. From this date, tenants will be given full details of the scheme when signing a new tenancy agreement. Where we are not the managing agents, the deposit will still be held under the tenancy deposit protection scheme. Full details of the scheme can be found at <http://www.depositprotection.com>.

**TERMINATION of TENANCY:**

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 any tenancy agreement entered into on the Landlord's behalf is a binding legal agreement for the term agreed. Details of any tenancy agreement being entered into will be communicated onto the Landlord as soon as possible. Landlords should be aware that the legal minimum notice period to tenants under assured tenancies 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:**

The letting of property is now closely regulated with respect to consumer safety. The law makes particular demands regarding the safety, servicing and inspection of the gas and electric appliances and installations within a property, and with respect to the type of any furniture and soft furnishings that are also provided. The following regulations apply:

- Furniture and Furnishings (Fire)(Safety) Regulations 1988
- Gas Safety (Installation and Use) Regulations 1994
- Electrical Equipment (Safety) Regulations 1994

It is agreed that the Landlord shall ensure that the Property is made available for letting in a safe condition and in compliance with above regulations.

By law, it is necessary to carry out an annual inspection and service for the central heating and any gas appliances. Unless a valid certificate can be provided the agent will instruct a qualified Corgi engineer to carryout the necessary inspections and maintenance records on the Landlords behalf. The cost of which will be deducted from the rents received.

**INSTRUCTIONS:**

It is agreed that any instructions to the Agent from the Landlord regarding termination, proceedings, major repairs, payment details or other significant details regarding the letting be confirmed to the Agent in writing.

**INSURANCE**

The Landlord shall be responsible for the Property being adequately insured and that the insurance policy covers the situation where the Property is let.

**LEGAL PROCEEDINGS:**

Any delays of payment or other defaults will be acted on by the Agent 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 to contact the Landlord, in which case the Agent is authorised to instruct a solicitor on the Landlord's behalf). The Landlord is responsible for payment of all legal fees and any related costs.

**PROPERTY WITHDRAWAL**

If the Landlord withdraws the Property once a Tenant has been found but before the Tenancy commences, there will be a charge of £350 payable by the Landlord. The Landlord may not withdraw the Property during an ongoing Tenancy. The only exception is: The Landlord may only withdraw the Property during an ongoing Tenancy provided that two months written notice shall be received and approved by Meridian Home Let, prior to an agreed withdrawal date. The Landlord will also be liable to pay to Meridian Home Let all remaining management charges to the end of the Tenancy.

**ACCEPTANCE & VARIATION**

The terms & conditions of this Agreement may be varied by the Agent at any time or times, but only by prior written notification.

**I/we confirm that we have read the attached Agreement and wish the Agent to undertake the Full Management, Letting & Rent Collection or Letting Only service \*(Delete as applicable)**

**I/we also confirm that we are the sole/joint owners of the Property known as**

**Rental Properties Address:** \_\_\_\_\_

\_\_\_\_\_

**Rental Marketing Price** £\_\_\_\_\_ \*Per Calendar Month / \*Weekly

**Term:** \*6 Months / \*12 Months / \*Either 6 or 12 Months

(If property is jointly owned all parties should sign)

**Landlord's Name (in Full)** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_

**Home Tel:** \_\_\_\_\_

**Mobile Tel:** \_\_\_\_\_

**E-Mail Address:** \_\_\_\_\_

**Signed:** \_\_\_\_\_ **Signed** \_\_\_\_\_

**Date:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Signed on behalf of Meridian Home Let:** \_\_\_\_\_

**Date:** \_\_\_\_\_