

# Terms & Conditions

## Inventories and Schedule of Condition

Inventories are professionally prepared and include a Schedule of Condition. This service is strongly recommended and unless otherwise instructed we will make the necessary arrangements for this highly specialised service to compile the inventory, this does not include lofts.

## Repairs, Replacements & Key Cutting *(fully managed service only)*

We will investigate any faults reported at a property and, if required, instruct contractors to carry out repairs. In the case of emergencies (up to £200.00 excluding VAT), these works will be carried out immediately without reference to you providing we are holding sufficient funds. To provide for this facility we will hold a float. The minimum reserve will be £200 for a six month tenancy. Where major works are necessary, for example, roofing, replacement of a boiler or re-decoration, an estimate will be obtained and sent to you for approval. Should the cost of these works exceed £200.00 we will charge a fee of 15% of the net invoice. Where Honey Lettings source and supply replacement goods or appliances we will charge a fee of 15% of the net cost, subject to a minimum fee of £5.00. For minor works that do not exceed £200.00, including the cutting of keys, Honey Lettings reserve the right to charge 15% of the net invoice subject to a minimum charge of £20.00.

## Interest on Client Funds *(fully managed & rent collection service only)*

Any bank interest received on client funds held will not be paid to the client. An annual donation will be made to a charitable organisation for any interest accrued.

## Tenant's Infringements *(fully managed & rent collection service only)*

Should the tenant fall behind with the rent we will automatically adopt our arrears procedure and if we become aware of any other breaches of the Tenancy Agreement you will be informed accordingly. If it becomes necessary to take legal action you will be responsible for instructing your solicitor and for all fees arising. If we are required to attend court on your behalf there will be a charge of £25.00 per hour or part thereof.

## Visits *(fully managed service only)*

We offer 4 visits per annum which enables us to monitor the performance of the tenant in respect of their contractual obligations and allows tenants to communicate 'on-site' should they have special requests or queries. A report can be sent with any comments with regard to any recommendations for action required. These visits should not be relied upon to pick up any structural defects and do not include lofts. There will be a charge of £30.00 for any additional visits requested by the landlord.

## Payment of Outgoings *(fully managed service only)*

We will pay property related bills (with the exception of mortgage payments) on your behalf if requested, and account to you on our rental statement. However we wish to make it quite clear that we are entitled to accept and pay bills on your behalf which appear to be correct. We will only pay these bills if we have sufficient funds in your client's account.

## End of Tenancy

Where we manage the property, our experienced staff will assist in settling any damages. However, as part of the Tenancy Deposit Scheme we will require both yours and the tenant's express consent before we can disburse the deposit monies.

## Refurbishments / Insurance claims

We are able to provide a comprehensive service from the installation of new kitchens and bathrooms to redecoration, soft furnishings and carpets. To enable us to supply detailed estimates we would require a deposit of £150.00, which would be deducted from our fee should you proceed with the works. The deposit is not refundable if the landlord decides not to proceed after we have provided proper and complete estimates in accordance with the landlord's specifications. The funding for any such works is required prior to contractors being instructed. Similarly, we are able to assist with insurance claims on your behalf while the property is tenanted. Our fee for both these services is 15% of the net cost of the works.

## Commissions from Third Parties

It is possible that in the normal course of business we will be offered commissions by third parties to whom we might introduce our landlord's business. If we are offered a commission or other form of remuneration and we are satisfied that the service they provide is as good as and/or no more expensive than others with whom they compete and that our landlord's interests are not adversely affected, then we may accept such commissions for our own benefit and not account for them to our landlords.

## Tenancy Deposit Protection

Deposits will be kept strictly according to the terms of the Tenancy Deposit Protection Scheme.

#### At the end of the Tenancy

If there is no dispute we 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. By signing below the Landlord agrees to be bound by the terms and conditions of the Deposit Protection Service and all other law relating to the holding of, release and compliance that apply to Tenants Deposits.

#### Incorrect Information

If the landlord warrants that all the information he has provided to us is correct to the best of his knowledge and belief, in the event that it proves to be incorrect which causes us to suffer loss or causes legal proceedings to be taken, the landlord agrees to reimburse and compensate us for all losses suffered. The statutory rights of either Landlord or Tenant to take legal action against the other remain unaffected.

#### Consent to Let

If you have a mortgage you must obtain a letter of consent from your mortgage lender. If your interest in the property is leasehold your lease may require you to obtain written consent from your landlord prior to sub-letting.

#### To Let Boards

At our discretion we will erect a 'To Let/Let By' board unless otherwise instructed.

#### Insurance

It is essential that you notify your insurance company of your intention to let so they may advise you of any additional cover that may be necessary.

#### Change of Ownership

If during the first twelve months of the tenancy, the property is sold or passed on with the benefit of the tenant in occupation, we will look to the original landlord of the property to pay the fees listed in the clause *Termination of Contract during a tenancy agreement*

#### Selling to the Tenant

In the event that a tenant, or any person granted the benefit of the tenancy i.e. an occupant introduced to you by Honey Lettings, purchases the property which he/she is renting or had been renting within the previous twelve months, we will charge a commission of 0.75% of the negotiated purchase price. The fee is payable upon completion or on exchange of contracts if completion is more than 6 months after.

#### Furniture & Furnishings Safety Regulations

Landlords need to comply with the Furniture and Furnishings Regulations 1993, which sets levels of fire resistance for domestic upholstered furniture and furnishings. Any furniture within any part of the property must comply. It is an offence to breach these regulations and we suggest you obtain a comprehensive guide, including details of labels indicating compliance, from your local Trading Standards Office. By signing overleaf you are accepting full responsibility for ensuring that your property and contents comply fully with these regulations.

#### Gas Safety Regulations

The Gas Safety (Installation and Use) Regulations 1998 apply to all domestic properties and compel landlords to have all gas equipment safety-checked annually by qualified persons, to keep records of work carried out on the appliances, and to obtain a Gas Safety Report (GSR). The GSR must be available for a tenant at the commencement of a tenancy. We reserve the right to obtain a GSR for any property prior to the commencement of a tenancy, or on renewal, at the landlord's expense, where a GSR is not supplied by the landlord in time. Where Honey Lettings arrange for a GSR we will charge the usual works fee as set out in Repairs, Replacements & Key Cutting above. By signing below you are accepting full responsibility for ensuring that your property and its contents comply fully with these regulations.

#### Electrical Safety Regulations

A new part of the Building Regulations, Part P Electrical Safety came into force on 1 January 2005, which requires electrical works to be carried out by a qualified/competent electrician. Implementation of the Housing Act 2004 has taken Part P Electrical Safety of the Building Regulations a stage further and Counsel's Opinion confirms that to avoid prosecution should a tenant sustain injury, all properties to be let should have a Portable Appliance Test (PAT) and a Fixed Wiring Test (FWT). Whilst this is not currently obligatory, Honey Lettings reserves the right to obtain both a PAT and a FWT for any property prior to the commencement of a tenancy, or on renewal, at the landlord's expense, where these are not supplied by the landlord. By signing below you are accepting full responsibility for ensuring that your property and its contents comply fully with these regulations.

### Houses in Multiple Occupation (HMOs) and Housing Health & Safety Rating System (HHSRS)

The above new legislation, which came into force on 6 April 2006, will classify a property as an HMO requiring mandatory licensing where it is part of a building which is 3 or more storeys and is occupied by 5 or more people who form 2 or more households sharing basic amenities. The legislation is complex and individual authorities have the power to set prescribed licensing in addition to the mandatory licensing as set out in the above Act. The penalties associated with not having applied for a license could attract a large fine, therefore, if you believe the legislation applies, it is essential you contact your local authority to register the property. Should you wish us to assist with the registration there will be a fee of £50.00. By signing below you are accepting full responsibility for ensuring your property fully complies with the licensing regulations. We require landlords to sign their own Tenancy Agreement. Therefore, it is important that we are given clear written instructions regarding the length of time the property will be available for letting and that we have a registered contact address, telephone and fax number or email address in order that the document may be forwarded for signature, prior to any tenancy. Any subsequent change of address or bank details must be confirmed in writing. The cost of drafting the document is split equally between the landlord and the tenant, £110.00 each. Extensions to the Agreements and any addenda will be charged at £50.00 to each party. If we are required to serve a Notice of Possession on your tenant, there will be a minimum charge of £25.00.

### Inventories

Costs for compiling and checking the inventory will vary according to the size of the property, level of furnishings and time required to undertake this service. As landlord, it is usual for you to be responsible for the preparation of the Inventory and Schedule of Condition. The tenant will be responsible for the 'check-out'. Fees are non-refundable after the service has been completed. We will not accept any responsibility should landlords prefer to carry out their own inventory formalities.

### Energy Performance Certificates (EPC)

In October 2008 landlords of residential rented property will be required to provide all new tenants with an Energy Performance Certificate. The EPC must be made available free of charge by a landlord to a prospective tenant prior to the commencement of a tenancy.

### Preparation of a Property

We reserve the right to charge an administration fee in addition to any contractors costs for arranging any of the following in readiness for a let - refuse collection, clearance, shopping, moving furniture, any other minor works.

### Repairs (fully managed service only)

In the majority of cases we are happy to use the landlord's own contractors. However, we reserve the right to instruct our own contractors in the case of emergency or if the landlord's contractor is unable to undertake the work necessary within a reasonable length of time. Landlords agree to be liable for all contractor's invoices where instructed in accordance with these Terms of Business. We notify the landlord that should they be required to carry out repairs or refurbishments and a dispute arises, us as agent, the landlord and the chosen contractor(s) will be bound by the Adjudication Rules of the Housing Grants, Construction & Regeneration Act 1996 unless a JCT Minor Works contract is implemented.

### Deposits

In accordance with the Housing Act 2004 and the Tenancy Deposit Protection Scheme we will hold the tenant's deposit as 'stakeholders' and it will not be released until both parties have agreed, in writing, how it should be apportioned. No interest will be paid to either party.

### Finance Act 1995

The Self Assessment system applies to all tax payers whether a UK or Overseas Resident. Landlords residing overseas may apply to the Inland Revenue for an approval number which authorizes us to pay rent without the deduction of tax. However, where no approval number is available we are legally bound to deduct tax at the basic rate. If a tenant pays rent directly to a landlord who is resident overseas, the tenant becomes responsible and can withhold the tax. Where we are required to remit tax due quarterly to the Inland Revenue which attracts an administration charge of £20 per quarter. In addition, all approved/non approved overseas landlords will be charged a nominal annual fee of £15 for the provision of the Gross Annual Income Report to the Inland Revenue. Similarly, should the Inland Revenue exercise their powers and request information on UK landlords, the same fee will be levied. Landlords residing in the UK are responsible for their own tax affairs. Neither the Inland Revenue nor us as agent will pay interest on monies held for the payment of tax liabilities arising from this contract.

### Water Act 2003

The Water Act allows tenants renting a property for longer than six months to apply for a water meter without

permission from a landlord.

#### Empty Properties

Our Fully Managed Service does not include the supervision of empty properties whether it is empty prior to a tenant taking occupation, between tenancies or after a tenant has vacated the property. Once a property is untenanted, we cannot pay bills on your behalf or instruct contractors unless part of a refurbishment programme.

#### Services to Purchasers

We are legally obliged to inform you that Honey Lettings may offer the following services to potential purchasers of your property: Estate Agency Services, Arrangement of house contents and general insurance; Survey and Valuation services; Chattel Auctions; and Conveyancing Services.

#### Termination of Contract prior to the start of a tenancy agreement

The Landlord commits to using Honey Lettings as a sole agent for the period of 8 weeks from the commencement of marketing or re-marketing the property. In the event that the landlord withdraws from the agreement within this period or jointly instructs another agent that subsequently lets the property within the 8 week sole agency period, the setup fee will become payable within 14 days.

Fees and commissions will become payable where a tenant is introduced by Honey Lettings whether or not the landlord proceeds with us as agent. Should the landlord withdraw from a prospective tenancy where satisfactory references have been sought and legal documents prepared, the setup fee and the annual relevant service level fee will become payable within 14 days.

#### Fee Changes (fully managed & rent collection service only)

If a tenancy continues for more than two years, we reserve the right to increase the quoted fee by no more than 1%. Should a landlord wish to change from the Full Management Service it will be subject to the agreement of the tenant and cannot be undertaken until the end of the existing fixed term tenancy. This will allow a tenant the opportunity to find alternative accommodation if they are reluctant to liaise directly with a landlord. Two months prior notice must always be provided.

#### Termination of Contract during a tenancy agreement (fully managed & rent collection service only)

Two months written notice must be given if for any reason either party, Landlord or Agent, should wish to terminate this contract. Should there be a legitimate and enforceable breach of terms by us as the agent, a landlord may terminate this contract with immediate effect and no further fees will be payable.

If the event that the Landlord wishes to terminate the contract within the first 12 months a fee of 3.8% of the monthly rental for each month outstanding from the first 12 month period will become payable with 14 days..

#### Indemnity and Ratification

The owner undertakes to ratify whatsoever our agency shall lawfully and reasonably do by virtue of this agreement and indemnifies Honey Lettings against all costs and expenses properly incurred by us in carrying out our duties including legal expenses.