



# Devon Lettings LIMITED

## LETTING AND MANAGEMENT AGREEMENT

The terms of a legally binding agreement appear below. Please read them carefully and only sign when you have read and fully understood them, and wish to instruct us.

Landlord's name(s):

Landlord's address:

Address of property:

Is management included?

Yes/No

Date: ..... Signed: .....

### Terms and Conditions

1. In this Agreement "We" means Devon Lettings Limited, whose registered office is at 4 Market Street, Crediton, Devon, EX17 2AJ. "You" means the person(s) whose name(s) and address appear above. "The property" means the room, flat or house of which there is a brief description above. Clauses 10 to 19 apply only if we are to manage the property for you as well as arrange the initial letting.

### Property Letting

2. We will visit the property with you for an initial inspection. We will agree the viewing arrangements with you and whether you wish to show prospective tenants over yourself. We will not normally accompany prospective tenants to unoccupied and unfurnished tenancies and if this is required we reserve the right to make an additional charge for this service.
3. We will advertise the property and circulate details of the property to all appropriate applicants on our register and erect a letting board.
4. We will, from amongst the applicants we have, select (where possible) a shortlist, which we will then discuss with you. When you have chosen the best applicant, we will take up references as far as we reasonably can. This will normally include employment references/ accountant's references, personal references, landlord references (where applicable) and a credit check. If appropriate, we shall try to arrange a guarantor. Although we make these checks, they cannot be foolproof, and we shall not be liable to you in any way for any default of the tenant at any time.
5. We will, when a letting is arranged, prepare a tenancy agreement and forward a copy of this to you, so that you are aware of what your rights and liabilities are, and so that you can tell us if any special terms need to be added to suit you and your property. The agreement will provide for any notices needed under the Housing Acts to reflect what you tell us about your circumstances. The agreement will not under normal circumstances be sent for stamping and although it will still be legally binding on all parties, it may need to be stamped before it is admissible as evidence in court. In the event that you need to take the tenant to court under the terms of the contract, please contact us.
6. We will also arrange for the preparation of an Inventory & Schedule of Conditions the cost of which will depend upon the size of the property and whether or not it is furnished. Under the new Tenancy Deposit Regulations it will

be virtually impossible for a Landlord to withhold a tenants deposit without a detailed inventory. We will also wherever possible conduct a Check in Report with the tenants so that any discrepancies on the Inventory can be agreed at the outset and a Check Out Report (Where we are also managing the property) where any cleaning or damage to the property above fair wear and tear can be agreed at the end of the tenancy, hopefully therefore greatly reducing any disputes. The Landlord share of the costs of the Inventory, Schedule of Conditions and Check in & Check out Reports will be on a sliding scale depending upon the size of the property and whether it is furnished as follows: 1 Bed £20 + VAT, 2 Bed £35 + VAT, 3 Bed £50 + VAT, 4 Bed £65 + VAT, 5 Bed or more £80 + VAT. If the property is furnished it will be an additional cost of £25 + VAT in each scenario (£29.38).

7. You will ensure that you have the right to let the property. We will not be liable for making sure that you have good title to the property, or that letting is not prohibited by your deeds. If you have a mortgage or legal charge over the property, or if your property is leasehold, it will be up to you to find out whether you need the lender's and/or landlord's consent to let the property, and to get any consents needed. You will also be liable for ensuring that your property and contents insurers are informed of the letting and for taking any steps they may require. You must ensure that the property and any items in it comply with all relevant regulations, e.g. as to the inspection and safety of gas or oil appliances, the fireproofing of furniture. You will be responsible for checking that the electrical wiring and all electrical appliances left at the property are safe and in good working order. Additionally, you are responsible for making sure that the property itself is safe and in a habitable condition and any unusual hazards (e.g.: wells) are notified to us, or the tenant in writing. You will indemnify us against any liability to any third party. We also require at least 1 battery or mains wired smoke detector to be fitted on each floor of the property.
8. We will collect from the tenant at the start of the tenancy the first rental payment and, after clearance, pay the balance due to your chosen account. We will also collect a fee from the tenant in respect of the costs of references, preparing the tenancy agreement and inventories etc. We will also collect a deposit, which is subject to the new Tenancy Deposit Regulations, and will need to be held by either you or us in line with the rules and regulations of one of the approved schemes as detailed in Section 22 at the end of this agreement. Where we are not managing a property nor holding the deposit on behalf of the landlord, the landlord agrees to hold the deposit within one of the approved schemes. Failure to hold the deposit in one of the approved schemes can result in court action being taken against you. More details of the various schemes can be found at [www.communities.gov.uk](http://www.communities.gov.uk) If we are not managing the property but the landlord wishes us to hold the deposit we will do so on their behalf but we will charge an administration fee of £50 + VAT per year for this service, which will also include dealing with and disputes arising as detailed in Section 22 below.
9. You will pay us, in addition to the Inventory costs detailed above, in the event and at the time of completion of a tenancy, the sum equivalent to half of the first month's rent + VAT, subject to a minimum fee of £400.00 + VAT (or £200 plus VAT if we are also to be managing the property after completion of the tenancy) plus any additional charges there may be, which if applicable will be agreed separately in writing with you. We may deduct those amounts from monies received by us from the tenant. Value Added Tax will be added to any sums payable under this agreement if we are obliged by law to charge it. If we are instructed by you to market the property either verbally or in writing but you subsequently find a tenant directly or via another agent or for whatever reason decide not to proceed with the letting of the property, we will charge a fee of £100 plus VAT, to cover our administration costs and advertising expenses.
10. If the Landlord's place of residence is outside the United Kingdom, we are liable to deduct basic rate tax from the rent after expenses and forward this to the Inland Revenue. Landlords can apply to have the rent paid without the deduction of tax and we can offer advice and assistance in this matter if applicable. We may be required also from time to time to provide the Inland Revenue with details of all Landlords for whom we acted and gross rental income received.

### **Property Management**

11. We will arrange for the rent to be paid by the tenant into our client account. We will maintain fully computerised records of all payments, and if any payments are late will use our best endeavours to get payment from the tenant. We shall account to you for any payments received (less any sums due from you to us or as set out below) as soon as reasonably practical after they have been cleared into our bank account.
12. We will visit the property at the start and end of the tenancy, as well as regularly whilst it continues, and if there is any emergency. We will report any problems to you, and agree with you whether any works need to be done to the property. If we find any default on the tenant's behalf we will write to the tenant to advise of that and to require remedial action. No extra charge is made for these visits.

13. We will act as your agents in arranging any works to the property, which may be agreed as necessary. Further, you hereby authorise us, in the case of emergency or in circumstances where you cannot be contacted, to arrange for works to the property up to a maximum overall cost (plus VAT) of two hundred pounds (£200) at our sole and absolute discretion. We will arrange contractors if required, or will instruct contractors of your choice. The charges of any such contractors will be payable by you (whether arranged through us or not) and we shall have no contractual obligation to them, but we shall be entitled to deduct any amounts properly due to them from any monies held by us on your behalf. If we are instructed by you to organise major repairs or improvements to a property, the total cost of which exceeds £750, we will charge an additional 10% + VAT on the overall cost of this work. This charge is to cover our administration costs for obtaining quotations, organising and overseeing works, checking that works have been completed, payment of workmen and preparing statements of costs. Although these works may be organised by us we will be acting upon your instructions and the liabilities for the payments of such works remains with the Landlord.
14. We will deal with any routine queries regarding the property or the tenancy, and will liaise as necessary with the local authority (including the Housing Benefit department) and the various utility companies. We will promptly advise you of any matters thus arising, which need to be brought to your attention.
15. We will prepare and serve any notices, which may be necessary during the tenancy, including any notices that you require to recover possession, and any notices to quit.
16. Where the rent is being paid direct to us from local authorities, you authorise us to collect this on your behalf. If a tenant makes a false claim for housing benefit and the rent is being paid direct to ourselves, this money may be reclaimed by the local authority involved. If such an event arises, you will refund to us any money that has been paid to you in rent upon request from ourselves, in respect of false claims from the tenant.
17. We can arrange, on your behalf, insurance against both loss of rent and legal fees for evicting a tenant, if they default on the rent. The cost for a 6 month policy is £60 or £99 for a 12 month policy and the excess, normally 1 months rent can be reduced to nil by the payment of an additional £20 premium. All of the above costs are subject to Insurance Premium Tax, currently 5% of the premium. The policy which will be arranged via Rentshield Direct, and covers loss of rent for up to 6 months, or until vacant possession is obtained if earlier, as well as the legal fees for evicting the tenant. Customers should obtain, read and fully understand the policy wording before proceeding with an insurance product.
18. You will pay us 12% of the rent due per property and recoverable during the tenancy, plus any Value Added Tax we may be obliged by law to charge thereon. We can deduct any such sums from any rents or other monies received.
19. Either you or we can end this agreement by not less than three months' written notice.
20. We will not be obliged to issue court proceedings or other forms of enforcement against any tenant, and will not be liable for any failure of the tenant to make any payment due or perform any term of the tenancy agreement. In the event that legal proceedings are necessary we will if requested liaise with the relevant solicitors. We can arrange legal representation if needed, or you are free to instruct solicitors of your choice.
21. We may receive commission / remuneration on the sale of Insurance or related products arranged in conjunction with the property or the tenancy as well as for arranging repairs and maintenance on the property and will disclose to you any such amounts upon written request.
22. Under the Tenancy Deposit Regulations there are strict rules and regulations as to how tenants deposits are taken and held and how they can be distributed at the end of the tenancy. For properties under management we will hold the deposits within the rules and regulations of the Tenancy Deposit Service and to comply with these regulations we hold Professional Indemnity Insurance, a ring fenced Client Account and Client Money Protection Insurance. We will abide by the rules of the scheme and deal with administration involved in any disputes that may arise with regard to the returning of the deposit monies at the end of the tenancy. This will include submitting paperwork and evidence to the Independent Case Examiner of the TDS in the event of a dispute. The Deposits will be held as Stakeholder for the Landlord and Tenant, which means deposits, can only be returned or distributed with the agreement of both the landlord and Tenant. Interest on deposit will be kept by Devon Lettings to help towards the costs of the administration of the scheme.