**AGREEMENT CONTAINING**

**ANCELLS ESTATES TERMS OF BUSINESS**

**(FOR LETTING AND MANAGEMENT**

**OF RESIDENTIAL PROPERTY)**

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

**Parties**

1. [NAME/S] \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_of

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1. **Ancells Estates Limited** of 58 Willingdon Road, Eastbourne, East Sussex, BN21 1TJ referred to as“we” or “us” or “Ancells” in this Agreement

**PROPERTY**

1. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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Referred to as “the Property”

**The Service**

**[Introduction only / Rent Collection / Tenancy management] –** **CIRCLE AS APPROPRIATE**

Please complete this document in full, sign and return. We only accept instructions on the terms of this Agreement, and we will proceed on the basis that you accept this Agreement even if you have omitted to sign and return it.

**It is Agreed**:

**Definitions**

In this Agreement the following words shall have the following meanings:

**Contract Period**' means the period starting on the above date and continuing until ended in accordance with clause 5;

'**Fees**' means the commission and other remuneration payable for the Services under clause 4.1 and set out in Schedule 1 which are inclusive of VAT;

'**Head Lease**' means the lease under which the Owner holds the Property and all documents supplemental to it;

'**Parties**' means the Owner and the Agents, and '**Party**' shall mean either one of them;

'**Property**' means the property as detailed above;

'**Property Information**' means all information concerning the Property, including details of leases and supplemental documents, tenants and occupiers of the Property, accounts, receipts, insurance policies and particulars, property registers, VAT records, employment records and computer records (including disks and software); and

'**Services**' means the services to be provided by us on your behalf in relation to the Property as set out in clause 3.

**Appointment**

You appoint Ancells to be agents to perform the Services during the Contract Period and we accept such appointment.

The terms of this Agreement govern the relationship between you and Ancells Estates Limited.

You warrant represent and undertake that either:

* 1. you are the sole owner(s) of the Property as recorded in the title of the Property at the Land Registry; or
  2. you have authority to sign this contract and any subsequent tenancy agreement on the owner’s behalf. You also commit to provide appropriate evidence of authority to sign this contract and any subsequent tenancy agreement on the owner’s behalf such as: Power of Attorney, Appointment as Agent for Owner or Appointment as Trustee

You authorise us to sign on your behalf any tenancy agreement or notice of other document relating to the letting of the Property not required to be executed as a deed for the purposes of performing the Services provided that we give you written notice of the same.

We will cooperate with any other professional advisers instructed by you in relation to the Property whose names have been notified to us by you and will supply to them promptly at your reasonable expense all such information concerning the letting that they might reasonably request.

We warrant that we are a member of the Deposit Protection Scheme (‘DPS’), The Property Ombudsman Scheme (‘TPO’), Information Commissioner’s Office (‘ICO’) and Client Money Protection (‘CMP’).

**Our Services**

Services Agreed

* Introduction Only
* Rent Collection
* Tenancy Management

**Introduction Only**

**Our fee: 3 Weeks Rent + VAT**

**We agree to:**

Inspect the Property and prepare and submit draft particulars for letting to you for your approval.

Advise and obtain your approval of the rent to be asked, the method of marketing and what works of decoration, furnishing and cleaning are required to present the Property to its best advantage. Any marketing advice given including advice regarding the asking rent does not constitute formal advice or valuation and is aimed at achieving the best rent from a tenant whose circumstances best meets your requirements. As it is not a formal valuation, it must not be used for any other purpose other than deciding upon a marketing strategy. We have not carried out a building survey or undertaken legal investigations when giving any such advice and therefore no responsibility whatsoever will be accepted for its use for any other purpose or to any third party under any circumstances. If you

require a formal valuation, we will be pleased to arrange for one to be provided by a Qualified Chartered Surveyor at your cost.

to obtain your instructions on any restrictions on, or criteria to be met by, prospective tenants and to follow such instructions provided that such instructions are legal and non-discriminatory.

Arrange appointments for prospective tenants to view your Property.

Consider and deal with any applications and take up references on prospective tenants and on any proposed guarantors. Although we will make reasonable enquiries to ensure the tenant and any guarantor is suitable, we cannot guarantee suitability.

Prepare and arrange for the completion of our standard tenancy agreement and any other documents that are necessary to enable us to let your Property (An additional Fee may be payable as set out at Schedule 1).

Supply to the tenant before possession is given to the tenant gas safety certificate, energy performance certificate in relation to the Property as obtained by you. (An additional Fee may be payable as set out at Schedule 1).

Supply to the tenant a copy of the Government How to Rent Booklet at that time in force. (An additional Fee may be payable as set out at Schedule 1)

Complete the initial checks on the tenant in order to comply with the Right to Rent provisions set out at Sections 20-37 and Schedule 3 of the Immigration Act 2014 prior to completion of the tenancy agreement and to request clarification from the Home Office Landlord's Checking Service where appropriate. For the avoidance of doubt, it is your duty to ensure that the tenant’s right to occupy the Property does not lapse once the tenancy agreement has been granted and further that copy documents are renewed and held at all material times throughout the tenancy.

Arrange for an Inventory and schedule of condition of the Property and its furnishings and fittings to be taken by Ancells Estates and to supply a copy to the tenant and to obtain the tenant’s agreement to it as a true and correct record if so, instructed by you. (Additional Fee payable as set out at Schedule 1).

Before possession is given to the tenant, collect the deposit from your tenant and the first payment of rent due under the tenancy.

Where instructed to deal with the deposit, we will deal with it in accordance with the deposit protection scheme referred to in the tenancy agreement and in accordance with applicable law, including the service of all necessary documentation on the tenant. We will only protect the deposit on your behalf where you instruct us to arrange for an Inventory and schedule of condition to be taken by Ancells as at clause 3.1.10 above. We are unable to hold the deposit for a Tenancy if an Independent Inventory is not available; in this case you, as the Landlord, must make your own arrangements to hold the deposit and register it with an approved Deposit registration Scheme. (Non-Tenancy Managed Properties only)

You authorise us to register the deposit with any scheme of our choosing and agree to be bound by the scheme including the terms and conditions of the same.

At the end of the tenancy, if we have protected the deposit on your behalf, we will release the deposit to the tenant or to you in the manner as confirmed by both parties in writing or alternatively in accordance with any order or recommendation of a dispute resolution scheme process used by the tenant deposit protection scheme with whom the deposit is held.

Submit an itemised initial statement of income and our Fees as soon as possible after the tenancy starts.

The Introduction only service ends when the tenants we have introduced take up occupation of the Property. Our Fees are due and payable upon the commencement of the tenancy and are non-refundable. All obligation for the subsequent management of the tenancy after occupation begins will be the responsibility of the Landlord.

**Rent Collection**

Our fees: **13.2% Inc. VAT (11% plus VAT) of the monthly rent**

Our Rent Collection service includes (A) Introduction Only and the following:

Demand and collect the rent.

Prepare and send you rent statements outlining income and any expenditure. Statements will be sent to one email nominated by you for this purpose. Postal copies will not be provided.

Our Fees are due and payable each month on the rental due date. Our Fees will be deducted from the monthly rental payment before it is remitted to you. Please note: Fees remain

due for the entire period that a tenant, introduced by Ancells, remains in your property, either on a fixed term, periodic or other tenancy type whether rent is paid by the tenants or not.

We will forward any monies due to you promptly, but we will not be liable for any loss that may occur as a result of any delay in making payment to you. You should allow one week from the rent due date for rent to come into our account and be remitted to you.

You will be informed of any rent arrears or breaches of contract brought to our attention. However, if legal action is required you will be responsible for instructing your own solicitor and for all the fees involved.

**Tenancy Management**

**Our Fee: 14.4% Inc. VAT (12% + VAT) of the monthly rent**

Our Tenancy Management service includes 3.1 Introduction Only and 3.2 Rent Collection and the following:

Be responsible for the day-to-day management of your Property including arranging for general repairs or maintenance to be carried out, subject to an initial limit of £100. In an emergency, we have the right to carry out necessary repairs, even if the cost exceeds the agreed limit, without further reference to you. If the cost of repairs exceeds £700, we will charge an additional fee of 12% Inc. VAT on the total cost of the works (as set out in Schedule 1 - Ancells Estates Scale of Fees). We may deduct the cost of repairs from rental income. Otherwise you must pay us within 14 days of invoice if we decide to request payment from you direct. All repairs or maintenance we arrange on your behalf are carried out at your expense.

Visit the Property every four months and report to you if the condition of the Property is unsatisfactory. If you want us to carry out additional visits, we will be pleased to do so at a cost of £25 + VAT per visit (as set out in Schedule 1). It is important to note that any visit will only identify visible or clear problems at the property. It will not include the checking of the inventory and/or schedule of condition.

At the end of the tenancy, check the inventory and/or schedule of condition to assess whether the Property is, in our opinion, in a reasonable state of repair. The inspection will not amount to a Surveyors report. If necessary, we will make any appropriate deductions from the deposit to cover the cost of any damages.

Return the deposit to the tenant at the end of their tenancy after he vacates, provided that he has, in our opinion, complied with the terms of his tenancy and the condition of the Property and items listed in the inventory and/or schedule of condition are satisfactory. If you or your representative(s) wish to inspect the Property after the tenant has left and before we give the deposit back to the tenant, you must do so within three days from the date the tenant leaves the property. If you do not inspect the property, and we return the deposit to the tenant relying on our own inspection, the return of the deposit will as between us be final and binding on you.

Our Fees are due and payable each month on the rental due date. Our Fees will be deducted from the monthly rental payment before it is remitted to you. Please note: Fees remain due for the entire period that a tenant, introduced by Ancells, remains in your property, either on a fixed term, periodic or other tenancy type whether the tenant pays the rent or not.

**For Tenancy Management you agree to:**

Obtain your lender’s and/or head landlord’s prior agreement to the letting and informing us of any special conditions they attach to their agreement(s).

Notify your insurance company that your Property is to be let and ensuring that your buildings and/or contents insurance cover remains adequate and in force.

List the contents you will leave in the Property during the tenancy and removing items not intended to be included in the tenancy. If you wish, we will arrange for the inventory and/or schedule of condition to be prepared before the tenancy begins so that it may be agreed with the tenant at additional cost as set out in our Scale of Fees at Schedule 1.

Provide us with a correspondence address. You must inform us if you are going to live or work abroad and provide us with your Inland Revenue Approval Number (if required).

Supply at least two full sets of keys. If you can only give us one set of keys, we may need to have another set or sets cut at your expense.

Ensure that the Property is in tenantable condition, clean and in good decorative order.

Fund your ownership of the Property. You must be able to service this funding at all times. Neither Ancells Estates Ltd or the tenant will be held liable for any late payment penalties you may be charged by your mortgage company in the event you fail to pay your mortgage on time.

Ensure that the Property is not repossessed by the lender. If it is then we will regard this as a termination, and our termination Fees will be applied.

Ensuring the Property complies with the appropriate Furniture and Furnishings (Fire) (Safety) Regulations 1988, the Electrical Equipment (Safety) Regulations 1994, the Plugs and Sockets etc, (Safety) Regulations 1994 the Gas Safety (Installation and Use) Regulations 1998 and all amendments and successor legislation.

**Your Obligations (All Services)**

You agree with us throughout the Contract Period:

**Fees**

To pay all our applicable Fees (according to our Scale of Fees as amended from time to time and set out in Schedule 1).and reasonable expenditure we have incurred on your behalf in letting your Property.

That we may deduct our Fees from any rent due under the tenancy.

If within 12 months of the end of this Agreement, a person introduced by us including a current or former tenant buys the Property you will pay us a 1.5% fee on the sale value.

During this Agreement we have sole letting rights over your Property. This means that our Fees will be payable if during the Agreement a suitable tenant agrees to take a tenancy of your Property whether or not that tenant was introduced by us.

**Reimbursement of expenses**

To reimburse us for all expenses properly and reasonably incurred in the provision of the Services provided that the we provide you with valid receipts for such amounts.

**Insurance and notification**

To be responsible for ensuring that the Property is sufficiently insured including against third party actions, public liability and defective premises risks as necessary.

To be responsible for ensuring that notification that the Property is let is provided to any mortgagee or insurer of the Property as necessary.

**Licensing**

To be responsible for ensuring that the Property obtains a House in Multiple Occupation Licence in accordance with Part 2 of the Housing Act 2004 as and when necessary.

To be responsible for ensuring that the Property obtains any other Selective or Additional Licence in accordance with Part 3 of the Housing Act 2004 as and when necessary.

**Indemnity**

To indemnify and keep indemnified Ancells from and against any and all loss, damage or liability whether criminal or civil suffered by us and legal fees and costs properly incurred in the course of providing the Services or due to any breach of this Agreement by you;

**Legal Action**

Where legal action is necessary against the tenant, it will be your responsibility to instruct solicitors to commence proceedings and these will be at your cost.

If we need to attend a court or tribunal on your behalf, you will have to pay us additional Fees as set out in Schedule 1 – Ancells Scale of Fees.

**Taxation**

If you are classed as resident overseas for tax purposes, we are responsible for deducting income tax at the basic rate on rental income from your property, unless the Inland Revenue provides us with an appropriate exemption certificate. We do not offer tax advice under any circumstances and we recommend that you seek specialist advice from a tax consultant in these circumstances.

**Empty Properties**

We do not normally manage empty properties unless you have specifically instructed us to do so in writing. Where this service is provided an additional fee will be charged.

**Liability**

You agree that to the extent permissible by law our liability to you for negligence or for the negligent performance of our contractual obligations (barring negligence resulting in death or personal injury) shall be limited to ten times the Introduction Fee.

You agree that under no circumstances will we be liable for any losses attributable to any failure to find a tenant for your Property.

**Termination**

If we are instructed to provide our Rent Collection or Tenancy Management service, either you or we may terminate this Agreement on giving one month’s written notice from a rental due date.

* 1. Any fees outstanding on termination of this Agreement for whatever reason remain payable despite termination and you will be liable to pay us to the expiry of the notice period as set out at clause 5.1 and to pay us six months fees from the date of termination. The date of termination is the date of expiry of the notice period.

If we consider that you are in breach of any legal requirement (whether statutory or not) relating to the Property, and you do not take reasonable steps to remedy the breach within seven days of our giving you written notice to do so, we may terminate the Agreement with immediate effect on giving you notice in writing that we are doing so.

In the event that you are petitioned for bankruptcy or other insolvency proceedings then we will interpret this as an act of termination, and the above fees will apply.

If the Property is sold whilst under our management this will be regarded as termination and the above fees will apply.

If the basic terms of a tenancy or renewal have been agreed with you and we are instructed to proceed with the formalities and you then withdraw from the transaction, you agree that you will:

* 1. pay us 50% of the Tenancy Management or Tenant Finding Only fee + VAT, or £390 Inc VAT, whichever is the greater, as well as reimbursing us for other reasonable costs incurred by us, within 7 days of the date of your withdrawal from the transaction; and
  2. reimburse the prospective Tenant(s) for the administration charges they have incurred.

We reserve the right to amend any of the terms of this agreement with 28 days’ written notice to you.

**Data Protection**

Ancells Estates Limited is the data controller in respect of this agreement and is responsible for your personal data.

We will use the information we collect from you to carry out this agreement and for statistical, administration and marketing purposes. Please refer to our privacy notice on our website for a full explanation of how we process your personal data.

We will offer a full range of services to potential tenants and buyers including estate agency, financial services, conveyancing, lettings, property management, new homes sales and survey services from which we may get commission or fees.

**Notices**

Any notice to be given under this Agreement shall be in writing and shall be sent by first class mail or air mail, or by facsimile or email (confirmed by first class mail or air mail), to the address of the relevant Party set out at the head of this Agreement, or at any subsequent replacement address notified in writing.

Notices sent as above shall be deemed to have been received 3 working days after the day of posting (in the case of inland first class mail), or 7 working days after the date of posting (in the case of air mail), or on the next working day after transmission (in the case of facsimile messages, but only if a transmission report is generated by the sender's facsimile machine recording a message from the recipient's facsimile machine, confirming that the facsimile was sent to the number indicated above and confirming that all pages were successfully transmitted), or on the next working day after sending (in the case of email).

**Governing law and jurisdiction**

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including contractual and non-contractual disputes) shall be governed and construed in accordance with English law.

You and we irrevocably agree that the courts of England and Wales shall have jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation (including contractual and non-contractual disputes), provided that this shall not preclude you also from complaining as noted above and we acknowledge the jurisdiction of the Ombudsman Services in respect of such complaints.

**Severance**

If a Clause of this Agreement is determined by any court or other competent authority to be unlawful and/or unenforceable, the other Clauses of this Agreement will continue in effect.

**Contracts (Rights of Third Parties) Act 1999**

For the purposes of the Contracts (Rights of Third Parties) Act 1999 and not withstanding any other provision of this Agreement this Agreement is not intended to, and does not, give any person who is not a party to it any right to enforce any of its provisions.

By agreeing to our terms, you certify that:

You have never been convicted (or have a trial pending) for fraud or any other financial crime, you have never been refused membership of any tenancy deposit scheme whether insurance based or custodial and you have never been refused a license to operate a lettings business in England and Wales which is required under the housing act 2004.

Name (capitals) ………………………………..……..………… sign here ........................................

**For and on behalf of Ancells Estates Limited**

Name (capitals) ……..…………………………………………… sign here ........................................

**Landlord**

Name (capitals) ……..…………………………………….…… sign here ........................................

**Landlord**

**Schedule 1 – Ancells Scale of Fees**

**Tenancy Management Service 12% + VAT (14.4% Inc. VAT)**

**Rent Collection Service 11% + VAT (13.2% Inc. VAT)**

**Introduction Only Service 3 x Weeks Rent + VAT**

**Tenant Referencing**

A fee of £150 Inc. VAT is payable per person for referencing and guarantor checks. This includes the ‘Right to Rent’ checks.

**Rent in Advance**

With any of the Tenancy Management Service, Rent Collection Service or Introduction Only Service, where we collect 6 months’ rent in advance, we will charge an additional fee of 2% of the total rent for the 6-month period + VAT.

**Inventory**

We highly recommend an inventory/schedule of condition to be prepared prior to letting your property.

Please contact us for a quote.

The check-out inspection using our Inventory/Schedule of Condition is charged at 50% of initial inventory fee + VAT. This includes the work we may have to do to prepare the Property for the next tenancy.

**Preparation of Tenancy Agreement**

A fee of £60.00 Inc. VAT is payable for the preparation of the Initial Tenancy Agreement. Subsequent tenancy agreements relating to the same tenants in the same premises are subject to a £30.00 Inc. VAT renewal fee.

If you wish to add extra addendums to our standard tenancy agreement will be charged at £30.00 Inc. VAT per addendum. This fee is also applicable for renewals.

**Deposit Protection**

A fee of £36.00 Inc. VAT per tenancy is also charged for us to protect a tenant’s deposit with an authorised tenancy deposit scheme. This is required under the provision of the Housing Act 2004. The fee is also applicable for renewals.

**Energy Performance Certificate**

In line with further government regulation, we can arrange for an Energy Performance Certificate (EPC) before the Property is let. This is valid for ten years. We will charge a flat fee of £118.80 Inc. VAT for this plus an additional fee of £18.00 Inc. VAT for each time it has to be reproduced. This is each time the Property is let. Failure to produce this document could result in a £200.00 fine to the Landlord/Agent.

**Gas Safety Certificate**

Under the gas safety (installation and use) regulations 1998, all gas appliances and flues in rented accommodation must be checked for safety every 12 months by a ‘GAS SAFE’ registered gas installer. Unless you can provide a valid copy of a recent GSC we can organise this for you for an annual fee of £66.00 Inc. VAT. The maximum penalty imposed in a Magistrates Court for non-compliance is a fine of £5,000. Note however, that where injury or death occurs due to the non-compliance, an unlimited fine and or custodial sentence can be imposed on Landlords and Agents.

If your Property is run using an electricity card top up system, we will handle and monitor these cards for you. The value of the cards sold will be added to the rent and charged at your agreed commission. Please note you will be required to supply us with the cards when requested.

**Electrical Installation Condition Report**

In line with government regulation, we can arrange for an Electrical Installation Condition Report (EICR) before the Property is let. This is valid for five years. We will charge a flat fee of £180.00 Inc. VAT. Failure to produce this document could result in fines up to £30,000 to the Landlord/Agent.

**Serving the Prescribed Requirements**

It is a requirement that tenants are served copies of the following documents at the outset of each tenancy:

* Government How to Rent Booklet
* Energy Performance Certificate
* Gas Safety Certificate
* Deposit Protection Service ‘Prescribed Information’ (as required)
* Deposit Protection Service ‘Terms & Conditions’ (as required)

Our fee to serve the Prescribed Requirements by email on your tenant will be £60 Inc. VAT for all documents.

**Annual Rent Reviews**

If the landlord wishes to revise the rent, a review fee of £60.00 Inc. VAT will be payable per annual review. This includes reviewing the rent and discussing with you what figure is achievable in the local market and communicating the rent review to the tenant for their agreement.

If the tenancy agreement is not our standard agreement or you wish to use the Section 13 rent review procedure, there will be an additional charge of £30.00 Inc. VAT per review.

**Serving Notice**

If required to serve Section 21 Notice by the Landlord, we will charge a fixed fee of £60.00 Inc. VAT per notice.

**Statements**

You will receive a monthly statement via electronic mail. Postal copies are not available. If you mislay or require extra copies of your statements or wish for us to supply your accountant with copies, we will charge £6.00 Inc. VAT for every statement required.

**Repairs and Maintenance**

For tenancy management services only - If the cost of repairs exceeds £700.00, we will charge an additional fee of 12% Inc. VAT on the total cost of the works.

**Out of Hours Work**

For tenancy management services only - if we consider reported issues to be an emergency and are required to complete emergency out of hours work in arranging repairs etc to your property, we will charge and additional fee of £48.00 per hour Inc. VAT.

**Additional Work**

Any additional work completed not covered by the fees set out in this Schedule of Fees will be charged at the hourly rate of £48.00 Inc. VAT unless we agree with you a different rate or basis of payment.

Ancells Estates is VAT registered and all our charges incur VAT at the current rate. Where we have to pay VAT to suppliers for services or goods we acquire on your behalf, we will include in our invoices to you an amount equal to the VAT we pay.