

# **Letting and Property Management Services**

## **Terms and Conditions**

**NOTE**

This is a formal document, intended to create legal relations. Please read it thoroughly before signing and returning it to us. You need only return to us the last page – please keep the rest.

**[www.london-letting.co.uk](http://www.london-letting.co.uk)**

**[info@london-letting.co.uk](mailto:info@london-letting.co.uk)**

**303 Rotherhithe Street  
London SE16 5EU  
T: 020 7064 9300  
F: 020 7064 9195**

## 1. Definitions

In these Terms and Conditions the following expressions shall have the following meanings:

1.1. "You", "your" and "Landlord" shall mean the person(s) named, and whose signature(s) appear, on page 7 of this Agreement

1.2. "We", "us", "our", the "Agent" and the "London Letting Agency" shall mean the London Letting Agency Ltd, whose registered office is situated at 82 Wandsworth Bridge Road, London, SW6 2TF (*please do not use this address for any correspondence*)

1.3. "Tenant" shall mean the person(s) natural or legal, introduced by us to you for the purposes of the Tenancy, and/or named on the Tenancy Agreement. Where the Tenant is a natural person, the definition shall include any relative or partner whether business or personal. Where the Tenant is a legal person, the definition shall include any connected person or body of that company, and any parent company, subsidiary or member of the same group of companies

1.4. "Agreement" shall mean these Terms and Conditions concluded between the Landlord and the Agent, as evidenced by their respective signatures on page 7 of the same

1.5. "Property" shall mean the property to which this Agreement relates, identified on page 7 of the same

1.6. "Rent" shall mean all sums paid by or on behalf of the Tenant for the use of the Property, whether expressed to be rent or otherwise

1.7. The "Tenancy" shall mean the entire period for which the Tenant remains in the Property including any renewal or extension or periodic tenancy whether by way of further agreement or otherwise

1.8. "Joint and several liability" shall have the meaning ascribed to it by common law

1.9. "Commission" shall have the meaning given by Clauses 5.1 and 5.2

1.10. "Introduction Service" shall be interpreted in accordance with Clause 3.1

1.11. "Property Management Service" shall be interpreted in accordance with Clause 3.2

## 2. Pre-instruction requirements

By signing this Agreement, you warrant that the following conditions, where applicable, have been met:

2.1. Sub-letting: if you are a tenant or leaseholder yourself,

- the intended Tenancy is permitted by the terms of your lease
- the intended Tenancy is for a period not exceeding that of your lease less one day
- your landlord's written permission is obtained for the sub-letting

2.2. Mortgages: where the Property is the subject of a mortgage or other legal charge, the mortgagee or proprietor of the legal charge has given its consent to the Tenancy

2.3. Insurance: you have adequate buildings and (if necessary) contents insurance for the purposes of the Tenancy

**2.4.** Fire Regulations/Health & Safety: furnishings, heating and all other installations and equipment conform to all relevant statutory requirements and codes of conduct

**2.5.** Fittings & Equipment: all equipment provided with the Property is in good working order prior to the commencement of the Tenancy

### **3. Our services**

#### **3.1. Introduction Service**

In providing the Introduction Service, The London Letting Agency will:

- Provide advice on an appropriate rental value for the Property
- Listen to, and act on your needs as a landlord
- Agree with you the price at which the Property is to be marketed
- Market the Property at that price
- Take and retain photographs of the Property for the purpose of marketing
- Place details of the Property on our own website [www.london-letting.co.uk](http://www.london-letting.co.uk), and on such property web forums as we deem from time to time to be appropriate, such as [findaproperty.com](http://findaproperty.com), [propertyfinder.com](http://propertyfinder.com), [fish4homes](http://fish4homes.com) and [hotproperty](http://hotproperty.com) (the property website of the Evening Standard)
- Accompany all prospective tenants through the Property during viewings
- Apply for, take up and hold to your order references on all prospective tenants
- Provide feedback, on request, as to progress with viewings
- Bring offers to your attention once they are supported by a holding deposit from the prospective tenants (usually the equivalent of one week's rent)
- Assist in the negotiation of terms of the Tenancy Agreement between Landlord and Tenant, where necessary
- Prepare an Assured Shorthold Tenancy Agreement (where the Tenant is an individual and the net rent does not exceed £25 000 per annum)
- Collect a five week security deposit and the first calendar month's rent from the tenants
- Remit the balance, net of our commission, to you within 10 working days, accompanied by a Statement of Account (unless you have requested our Property Management Service, in which case this point will not apply)
- Facilitate the establishing of a Standing Order mandate for the future payments of Rent by the Tenant, by providing the Tenants with your bank details where we are in possession of them

#### **3.2. Property Management Service**

In providing the Property Management Service, in addition to the services listed at Clause 3.1, The London Letting Agency will:

- Demand and receive rent on your behalf and forward the balance, net of our monthly Management Service commission and any expenses we have incurred on your behalf, to you or your nominee within 10 working days
- Prepare and submit monthly Statements of Account to you or your nominee (except where there is no change from the most recent Statement)

- Arrange for the inventory to be checked at the termination of the Tenancy and a check-out report to be supplied
- Inspect the property at least three times during the Tenancy (at check-in, during the sixth month of the Tenancy and at check-out)
- Carry out additional 'ad-hoc' inspections at your request, subject to an additional fee
- Hold the security deposit (as stakeholder) for the duration of the Tenancy and release these monies only with the consent of both parties following receipt by the parties of the check-out report
- Pay, subject to reimbursement, current outgoings for which we receive accounts or demands for payment in relation to the Property. These include but are not limited to Council Tax during vacant periods, ground rent, service charge and insurance premiums. Whilst we will endeavour to query any obvious discrepancies, we are entitled to pay without question demands and accounts which appear to be in order. In particular we cannot accept responsibility for the adequacy of any insurance cover or for the verification of service or maintenance charge demands or estimates where applicable
- Deal with day to day management matters including minor repairs, renewals and necessary replacements. Where these, or any other works, are likely to cost in excess of £100 (plus VAT) we will, except in the case of an emergency, obtain and submit to you estimates for the work
- Take responsibility for the day to day management of the Property including changes of tenancy and commissioning any cleaning and/or repair works arising from the check-out report
- Take all reasonable steps to inform the relevant Local Authority and utilities companies (water, electricity and gas if applicable) of change(s) in occupation of the Property where we hold the necessary information
- Be appointed, in the absence of contrary agreement, for the duration of the Tenancy as defined above, subject to the right of either party to terminate on giving two months written notice. Such termination is without prejudice to the Agent's right to commission payable for the Introduction service

#### **Important notes relating to the Property Management Service**

- It should be noted that our Property Management Service does not apply at any time when the Property is vacant and/or unoccupied. We are however happy to arrange ad-hoc visits to your property, in accordance with Clause 5.5
- The Property Management Service does not include the redirection of mail. We are happy to provide the tenants with a forwarding address for you, and/or provide details of the Royal Mail's Redirection Service
- The London Letting Agency will make all reasonable endeavours to procure the payment of rent by the Tenants. We will take such action in your name as is appropriate in the circumstances by serving a formal letter on the Tenant at the Property. Should it become necessary for you to instruct a legal adviser you will be responsible for all fees and charges incurred in this regard

## **4. Information applicable to all our services**

### **4.1. Rent**

The Rent quoted by us to prospective Tenants shall be inclusive of all the outgoings for which you are liable as the Landlord (such as ground rent, service charges) but exclusive of those payments for which a Tenant is commonly responsible (such as gas, water, electricity, other fuel charges, telephone, other communications charges and Council Tax or similar levy)

### **4.2. Remittance of rent**

Present banking arrangements in the UK are such that it is necessary for us to allow up to ten working days to clear funds paid to us and to transfer them, net of any fees or other charges payable to us, on to you

#### **4.3. Inventories**

We strongly recommend that an inventory clerk, independent of the parties to the Tenancy Agreement, is appointed to compile an inventory at the commencement of the Tenancy and to check it on termination. Please note that the commissioning of an inventory is a pre-requisite of our Property Management Service (see Clause 5.5). You are responsible for the fees relating to the inventory

#### **4.4. Deposit**

The security deposit required from the tenants is a sum equivalent to five weeks' agreed rent. This deposit will be held either by you (Introduction service – where you must agree any deductions directly with the Tenant) or by The London Letting Agency (Property Management Service – where we will release deposit monies only with the consent of both parties)

#### **4.5. Inspections**

It should be noted that all inspections carried out by us as part of our Property Management Service or requested by you on an ad-hoc basis are designed to highlight obvious and/or apparent defects and will not amount to a structural or other type of survey

#### **4.6. Landlord & Tenant Act 1987**

We are obliged by law to include your full name and address on all rent demands. Furthermore, you must supply an address in England or Wales at which notices can be served upon you, to be included in the Tenancy Agreement. Unless otherwise instructed, if your correspondence address is outside England and Wales, we will use the address of our administration office for this purpose. Although we will use our best endeavours to forward any notices to you promptly, we cannot accept liability for any loss or damage arising directly or indirectly from our actions in this respect

#### **4.7. Tenancy Agreement**

Unless instructed otherwise, we shall prepare an Assured Shorthold Tenancy for the purposes of the Tenancy. This tenancy will include a 'break clause' for you (allowing you to give two months notice to the Tenant at any point after 6 months have elapsed). A clause allowing the Tenant to do the same will not be inserted except by express agreement between the parties. Should you wish to provide your own tenancy agreement, you will be responsible for the fees of your legal adviser in so doing, and you must provide us with a copy within 5 days of signing this Agreement

#### **4.8. Taxes Management Act & Income and Corporation Taxes Act 1988**

You must notify HMRC of the Tenancy. Where you are not resident in the UK, we are obliged to account for tax at the basic rate on rental income collected by us on your behalf. Please note it is possible for you to apply for an exemption from HMRC.

#### **4.9. Courts and Tribunals**

Applications for fair rent or appearances before the Rent Officer, Rent Assessment Committee or any other court or Tribunal will be by special arrangement only, and subject to an additional fee

### **5. Commission levels and other charges**

#### **5.1. Introduction Service**

The commission payable for this service is **10%** of the total rent payable under the Tenancy plus VAT, and is deducted from the initial payments received from the Tenant.

## 5.2. Property Management Service

The commission payable for this service is a further **5%** in addition to the commission payable for the Introduction service (as specified above in Clause 5.1) plus VAT, and is deducted from the monthly rent received by us from the Tenant

## 5.3. Premature surrender

Please note this section deals with refunds of commission, and applies only where our standard form Assured Shorthold Tenancy was used.

Where we have procured for you a Tenancy of 12 months with no break clause for the Tenant, no refund of commission will be due where the Tenant has prematurely surrendered the lease with or without your consent.

Where you have served notice on the Tenant to terminate the Tenancy prior to its contractual expiry date, no refund of commission will be due.

Where the Tenant has exercised a break clause which was inserted in the Tenancy Agreement by consent, we will be glad to take your instructions to market and re-let the property, crediting you with a refund pro-rated to the remaining term of the Tenancy against the subsequent letting

Under no circumstances will we refund commission where the Tenant surrenders the lease (prematurely or otherwise) because the Property has been rendered unfit for habitation

## 5.4. Fees and charges

- Preparing an Assured Shorthold Tenancy is charged at £60 plus VAT
- Familiarising ourselves with any tenancy agreement you choose to provide instead is charged at £40 plus VAT
- Where we do not manage the property, conducting the check-in of the tenants on move-in day is charged at £50 plus VAT

## 5.5. Additional services available on request

- Gas Safety inspection (by our recommended engineers) is charged at £95 plus VAT
- An ad-hoc visit to the property is charged at £25 per hour plus VAT, subject to a minimum charge of £40 plus VAT
- Where we do not manage the property, we will be happy to perform a check-out and report on the inventory at the end of the tenancy, for £50 plus VAT
- Where we do not manage the property, arranging for cleaning and/or maintenance is charged at £20 plus VAT per instruction
- Inventories can be prepared by our independent inventory clerk, are subject to VAT and are charged as follows:

Type of property	Unfurnished	Furnished
Studio	£55	£70
1 Bedroom / 1 Reception	£75	£90
1 Bedroom / 2 Reception	£80	£100
2 Bedroom / 1 Reception	£80	£100
2 Bedroom / 2 Reception	£85	£115
3 Bedroom / 1 Reception	£85	£115
3 Bedroom / 2 Reception	£100	£130
4 Bedroom / 1 Reception	£100	£135
4 Bedroom / 2 Reception	£125	£170
5 Bedroom / 2 Reception	£140	£190
5 Bedroom / 3 Reception	£160	£210

## 6. Renewal Commission

6.1. We will endeavour to contact both the landlord and tenant before the end of the Initial Agreement to negotiate an extension of the tenancy.

6.2. In the event that the tenant renews, extends, holds-over and/or enters into a new agreement for which rental income is received, commission becomes payable to The

London Letting Agency. You will not be liable for Renewal Commissions relating to any period beyond the end of the second year from the expiry of the initial agreement/tenancy.

6.3. The Renewal Commission fee is due and payable on the commencement of each Renewal taking place within two years from the expiry of the Initial Agreement.

6.4. Where a Renewal is for an agreed term, the Renewal Commission fee is charged as a percentage of the total rental value of that agreed term.

6.5. Where there is no agreed term for a Renewal, the Renewal Commission fee is charged as a percentage of the total rental value as if the Renewal would be for the same duration as the Initial Agreement.

6.6. Renewal Commission will be due in respect of Renewals where the original tenant remains in occupation. Where there is more than one tenant, Renewal Commission will be payable in full where any or all of them remain in occupation.

6.7. Renewal Commission will be due whether or not the renewal, extension, hold-over or new agreement with the tenant is negotiated by The London Letting Agency

6.8. Liability for Renewal Commission will come to an end once the property has been sold.

6.9. Fees on the first two years renewals will be charged at the rate of 80% of the initial rate charged.

## **7. Continuation Period**

7.1. We will endeavour to contact you prior to the end of the period set out in clauses 6.1. to 6.3 above to offer you the option of continuing our services after the expiry of the period in clause 6.3. You are under no obligation to take our services during the Continuation Period.

7.2. The charge for our services during the Continuation Period ("Continuation Fee") is charged at 80% of the initial rate charged of the rent received by the landlord. If you require our Management Service, the Continuation Fee is charged at 10% of the rent received by the landlord.

7.3. We will deduct the Continuation Fee from the first rental payment of the Continuation Period and if the fee exceeds the first rental payment, the balance will be deducted from subsequent rental payment(s).

7.4. Continuation Fees are payable for as long as the original tenant (or any of the original tenants) remains in occupation until notice is given pursuant to clause 7.6 below.

7.5. If the tenant vacates the property more than one month prior to the end of the period for which Continuation Fees have been paid we will refund the fee for the remaining period.

7.6. Our obligations during the Continuation Period can be terminated by either side giving one month's written notice, such notice not to take effect before the start of the Continuation Period. If such notice takes effect more than one month prior to the end of the period for which Continuation Fees have been paid we will refund the fee for the remaining period.

7.7. Upon receipt of a valid notice in accordance with point 7.6, our obligations shall cease

## 8. Confirmation of instructions

So that we can proceed with the marketing of your property(ies) as soon as possible, it is vital that you complete this page in block capitals, sign it and return it to the office indicated below.

<b>ADDRESS OF THE PROPERTY TO BE LET AND/OR MANAGED:</b>  _____  _____  _____ <b>POST CODE</b> _____
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LANDLORD 1 \_\_\_\_\_  
(FULL NAME – TO APPEAR IN TENANCY AGREEMENT)

LANDLORD 2 \_\_\_\_\_  
(FULL NAME – TO APPEAR IN TENANCY AGREEMENT)

DAYTIME TELEPHONE \_\_\_\_\_ / \_\_\_\_\_

MOBILE TELEPHONE \_\_\_\_\_ / \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_ / \_\_\_\_\_

**(U.K.) ADDRESS FOR CORRESPONDENCE** \_\_\_\_\_

\_\_\_\_\_ **POST CODE** \_\_\_\_\_

**SORT CODE** \_\_\_\_\_ **ACCOUNT No.** \_\_\_\_\_

I/we the undersigned hereby declare that I am/we are the sole/joint owner(s) of the above freehold/leasehold property and as such agree to instruct The London Letting Agency as agents for the following service as detailed in these Terms of Business:

**Introduction Service** (10% + VAT)    or     **Property Management Service** (additional 5% + VAT)

Signed \_\_\_\_\_ Date \_\_\_\_\_

Signed \_\_\_\_\_ Date \_\_\_\_\_

Signed on behalf of The London Letting Agency \_\_\_\_\_

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