

# **LANDLORD(S) TERMS & CONDITIONS OF BUSINESS FOR LETTINGS & PROPERTY MANAGEMENT**

## **Letting and Management Service:**

Forest Estates will endeavour to ensure a successful, smooth and trouble free transaction.

Our services are for all Landlords who want minimum involvement with their property combined with peace of mind.

## **Our Service includes:**

Free rental valuation.

Collecting rents and paying to the landlord(s) as soon as funds are clear.

Accounting to the Landlord with a monthly Statement of Account..

Arranging Annual Gas Safety Inspections (GSI) with a GAS SAFE Engineer, Electrical Certificates (NICEIC) if required and the Energy Performance Certificates (EPC) must be arrange/provided at the earliest opportunity

Liaise with the Landlords and Tenant(s) and any Tradesman with regard to the necessary maintenance/repairs which exceeds £300.00.

Endeavouring to ensure that there is a minimum period where the property is vacant between tenancies.

Hold the Tenant(s) deposit in a secure bank account which is governed by the Tenancy Deposit Scheme.

## **Guaranteed Lease Schemes:**

We can offer 1,3 & 5 year secure leases with local boroughs (*subject to paperwork and property condition*)

We must fully manage the property.

There is never a void period (unless the property is unfit for habitation)

Rents are paid in arrears

## **Guaranteed Rent Tenancies**

We can offer Guaranteed Rent with Market Rent Prices on properties whereby the tenants have been fully referenced with an outside referencing Company. Once the referencing has been successfully completed, we are then able to offer an Insurance Based Guarantee for the Rent. Charges are on a scale and priced according to the rent achieved. Forest Estates must manage and collect the rent for this facility.

## **FEE STRUCTURE –**

**AGENCY FEES TO LANDLORD** Fees Range from 10% to 15% and **ARE SUBJECT TO V.A.T @ 20% unless otherwise stated and PAYABLE IN ADVANCE**

Our fee structure is tailor made to the individual landlords, depending on the additional input that is required, discounted fees would apply if the landlord has multiple properties to let via Forest Estates.

### **LET ONLY FEE (Tenant Find) 10% + VAT of contractual period**

- Agree the Market rent and find suitable tenant/s in accordance with landlords guidelines:
- Advise on any refurbishment/decoration works required
- Provide guidance on compliance with statutory provisions and letting consents
- Market the property and advertise on relevant portals
- Carry out accompanied viewings (as appropriate)
- Advise on non-resident tax status and HMRC (if relevant)
- Discuss the options available regarding the tenancy Deposit
- Collect and remit initial months rent received
- Deduct any pre-tenancy invoices
- Provide tenant with method of payment

### **FULLY MANAGED 10% + VAT of the contractual rent**

- Agree the Market rent and find suitable tenant/s in accordance with landlords guidelines:
- Advise on any refurbishment/decoration works required
- Provide guidance on compliance with statutory provisions and letting consents
- Market the property and advertise on relevant portals
- Carry out accompanied viewings (as appropriate)
- Advise on non-resident tax status and HMRC (if relevant)
- Register Tenancy Deposit with a Government
- Collect and remit initial months rent and subsequent rents received
- Deduct any fees/invoices
- Provide tenant with method of payment
- Pursue non-payment of rent and provide advice on rent arrears action
- Liaise with the relevant utility providers
- Undertake two inspection visits per annum and notify landlord of any action that is required
- Arrange emergency and routine repairs and liaise with both parties accordingly.  
Authorisation would be obtained for any works required over £300.00 unless in response to an Emergency Situation.
- Hold keys throughout the duration of the tenancy

### **Additional non-optional fees and Charges (irrespective of level of service)**

#### **Deposit Registration Fee £48.00 incl VAT**

- Register Landlord and tenants details and protect Security deposit with Government Authorised Scheme
- Provide the tenant(s) with the Deposit Certificate and Prescribed information within 30 days of start of tenancy.

#### **Additional Property Visits: £40.00 incl VAT**

- To attend for specific requests such as neighbour disputes: more visits are required to monitor the tenant, or any maintenance linked visits

#### **Submission of non-resident Landlords receipts to HMRC £100.00 incl VAT (quarterly)**

#### **Obtaining Additional Contractors Quotes £40.00 incl VAT (per quote)**

**Rent Review Fee****£100.00 (incl VAT)**

- Review Rent in accordance with current prevailing market condition and advise landlord
- Negotiate with tenant
- Direct Tenant to make payment change as soon as appropriate
- Update Tenancy Agreement
- Serve Section 13 Notice if Tenancy is on a rolling monthly basis (periodic)

**Checkout Fee (Landlords share if applicable)****£60.00 (incl VAT)**

- Agree with tenant check out date and time appointment
- Instruct Inventory Provider to attend (if required)
- Negotiate with Landlord & Tenant any disbursements of the security deposit
- Remit any disputed amount to Scheme for final adjudication
- Unprotect Security Deposit
- Instruct contractors, obtain quotes, organise repairs/replacements/cost of broken or missing items

**Court Attendance:****£30.00 per hour (incl VAT)****Inventory:**

Forest Estates would recommend a detailed Inventory. Inventories are carried out by an Independent Inventory Company. Their charges depend on the size of the property and are available on request. For approximate charges, please refer to page 3 of our Landlords Terms of Business.

**THESE FEES MAY NOT APPLY IN ALL CASES – IF YOU HAVE ANY QUESTIONS ON OUR FEES, PLEASE ASK A MEMBER OF STAFF**

**Periods When Properties Are Empty**

During all periods when properties are empty we will endeavour to re-tenant the property as swiftly as possible. If however a tenant leaves within the period of an annual fee being paid, then your fee period will be frozen. When the property is re-let the remaining part of the fee will be refunded pro-rata and the new tenancy fee will commence as a fresh deal.

## **General Advice on letting your property**

### **We strongly advise that:**

You personally do not enter into any negotiations with Tenant(s) as you may inadvertently create a verbal agreement.

You should ensure that the property and its contents are adequately insured and that you have advised your Insurers and your Lender (if you have a mortgage) of your intention to let your property.

Once vacant, the property should be thoroughly cleaned and the gardens left neat and tidy.

Any items of high monetary, personal or sentimental value should be removed from the property prior to letting. Do not leave any crockery, cutlery or ornaments as listing these items could increase the time allocated in preparing the inventory. We will not accept responsibility should such items be left and are then damaged by the Tenants.

The Landlord(s) is to ensure all carpets and windows are clean and attends any internal decoration as required, prior to occupation. Generally good Tenant(s) will expect a property to be tidy, clean and in good decorative order. The Tenant(s) are not obliged to leave the property any cleaner than what it was when they took occupation.

All Landlords should prepare a detailed Inventory which will then be added to the Tenancy Agreement, or Forest Estates can arrange an Independent Inventory Company to attend the premises and draw up a detailed Inventory of all furniture & effects, this option is advised. If no Inventory is signed and agreed at the onset of the tenancy, it would be extremely difficult to prove the damage and therefore deductions from deposits may not be accepted, and may result in the dispute being referred to ICE (Independent Case Examiner)

### **The charges are as follows:-**

*As an outside Company is used a price for the Inventory will be confirmed at the time of Instruction. These prices slightly differ +/-*

**1 BEDROOM PROPERTY £100.00**

**3 BEDROOM PROPERTY £200.00**

**5 BEDROOM PROPERTY £275.00**

**2 BEDROOM PROPERTY £150.00**

**4 BEDROOM PROPERTY £250.00**

**6 BEDROOM PROPERTY £300.00**

## **INCOME TAX CONSIDERATIONS**

**THE FOLLOWING IS FOR GENERAL GUIDANCE ONLY.**

### **WE ADVISE YOU TO SPEAK TO YOUR ACCOUNTANT OR THE HMRC FOR EXPERT ADVICE ON THESE MATTERS**

Non-declaration of letting receives increasingly harsh treatment from the HMRC and you should declare the rental income as in most cases relief can be obtained.

Income Tax is payable on lettings whether the Landlord(s) lives in the United Kingdom or not.

Expenses are usually only allowed if incurred during the letting period but there are provisions for claiming expenses on un-let properties.

For all lettings, furnished or un-furnished the Landlord(s) can claim:

Maintenance repairs insurance.

Management charges

Ground rent.

Legal and accounting fees

Cost of providing services included in the rent (e.g. electricity or council tax).

Interest on a loan to purchase or improve the property

In addition for furnished letting you can also claim:

Insurance contents and repairs of contents

Wear and Tear - this is either on a replacement basis or 10% of rental income less water rates and council tax.

Please note that the HMRC will hold Forest Estates responsible for paying any tax liability if you are an overseas Landlord(s) without an exemption certificate provided by the HMRC. Therefore, if you do not provide an approval number and you are an Overseas Landlord we will deduct tax at source and account to the HMRC until such time the approval number is obtained.

# **LANDLORD(S) STATUTORY OBLIGATIONS**

## **IMPORTANT SAFETY LEGISLATION**

### **The Gas Appliances (Installation & Use) Regulations 1994**

This Act requires appliances in rented properties to be checked by a registered **GAS SAFE** Engineer annually. Any faults found must be rectified promptly and detailed records kept. A copy of the Current Inspection Certificate together with a list of any remedial work carried out must be provided.

### **Electrical Equipment (Safety) Regulations 1994**

This Act requires all mains voltage electrical goods supplied to be safe. Although not mentioned in this Act, Landlord's are also responsible for ensuring the safe installation of all electrical appliances. In the event of injury to a Tenant as a result of a fault the Landlord is open to prosecution.

### **Energy Performance Certificate**

An EPC has to be provided with effect from April 2010 prior to the property being marketed. The EPC is valid for 10 years. Forest Estates can arrange for this to be carried out on your behalf.

## **LEGIONNAIRES DISEASE**

A recent change in the law means that Landlords now have to undertake a risk assessment for LEGIONNAIRES DISEASE.

You have to prepare a scheme for preventing, monitoring or controlling risks of Legionnaires disease. Luckily most guidance is directed to Commercial premises and as at today there has never been a case of Legionnaires disease emanating from a private house.

You must appoint a "responsible person" (yourself), keep records of all precautions and carry out a risk assessment every 2 years.

For private houses the risk areas are :-

Legionnaires disease bacteria are everywhere but they breed when temperatures are between 20-45C. TIP No 1 is to make sure your hot water comes out at 50C.

If you have a water fountain that may need to be disinfected with chemicals.

If you have a water tap that is hardly ever used you should run water through it once a week for 5 minutes.

If the pipework has a tight corner where sludge could build that will be a risk area which may need disinfecting.

Risks are very low with instantaneous water heating systems.

Humidifiers, pools, spa baths and indoor fountains are high risk areas. In spa baths check water filters daily. Clean and disinfect indoor fountains.

You should create a list of possible risk areas covering

1. Source of system water supply
2. Possible sources of contamination
3. Possibility of breakdowns.

### **Furniture & Furnishings (Fire) (Safety) Regulations 1998 (As amended in 1989 & 1993)**

Soft furnishings must comply and be labelled accordingly. Furniture which does not comply must be replaced or removed before occupation.

### **Operating Instructions For All Appliances Must Be Left At The Property**

All Instructions manuals must be left at the property in a prominent location (preferably displayed on a notice board) clearly explaining how each appliance operates. In the event of an injury to a Tenant as a result of misusing an appliance a Court may uphold a claim against the Landlord in the event that no instructions were available to ensure the operation of the appliance. It is the responsibility of the Landlord to ensure operating instructions are provided.

### **Smoke Alarms:**

Smoke alarms preferably hard wired, must be installed in the property.

### **Landlords Licensing**

If the property to be Let is within the Borough of Newham, with effect from 1<sup>st</sup> January 2013, all Landlords must apply for a Private Rented Property Licence for each property owned within the Borough that is to be Let. Failure to Comply will be an offence and may lead to a fine of up to £20,000. A possession Order cannot be sought without this license being obtained. The Licensing is expected to be phased in Nationwide, so please be mindful when you Let out your property.

## **PENALTIES**

### **Maximum Fine For Non-Compliance**

£5,000.00 and/or six months imprisonment for each breach In the event of a fatality a charge of manslaughter may be brought.

### **Insurance Cover May Be Invalidated**

In the event of damage or injury being caused as a result of a Landlord failing to comply with their statutory obligations

## **LANDLORD & TENANT ACT 1985**

Section 11 of the Landlord and Tenant Act 1985 requires the Landlord to:

Keep in repair the structure and exterior of the premises being let including drains, gutters and external pipes.

Keep in repair and proper working order the installation for the supply of water, gas, electricity and for sanitation.

Keep in repair and proper working order the gas central heating boiler (if installed) and all other heating appliances

**LANDLORD'S INSTRUCTIONS TO LET**  
**A RESIDENTIAL PROPERTY**

*Full address of property to be let:*

*Owners full name: MR MRS MISS MS*

*Co-Owners full name: MR MRS MISS MS*

*Owner's Correspondence Address:*

HOME NO:.....WORK NO:.....

MOBILE NO..... E-MAIL.....

I / We hereby authorise Forest Estates Property Services Limited to spend up to £300.00 on repairs without reference to me / us. Any sum above this figure will be referred to me / us for instructions.

By signing this I/We confirm that in accordance with the contractual tenancy or lease agreement that I/We will keep the property in a accordance with the Decent Homes Standard legislation by keeping it to a basic standard of living and all furniture that is provided will also conform to this, and that all furniture and fittings that need to be replaced if the tenant is not responsible for the damage I/We will replace all of these at our cost and if Forest Estates request works or replacement furniture and **I/We confirm** to them to instruct either **Verbally or in Written format I/We agree to pay the full price and agree for the amount to be deducted from forthcoming rents.**

I do / do not wish to employ any particular tradesmen in the event of maintenance/repairs which are required. (If you answer 'do not' or leave this section blank then Forest Estates Property Services Limited will instruct contractors).

NAME.....

TEL/MOBILE:.....

**Please provide details of a representative who will act on your behalf in your absence.**

NAME.....TEL/MOBILE.....

SIGNED BY LANDLORD: \_\_\_\_\_ DATE: \_\_\_\_\_

SIGNED BY LANDLORD: \_\_\_\_\_ DATE: \_\_\_\_\_

SIGNED BY: \_\_\_\_\_ DATE: \_\_\_\_\_

(For and on behalf of FOREST ESTATES PROPERTY SERVICES LIMITED)



**LANDLORD'S BANK ACCOUNT DETAILS**  
**FOR ELECTRONIC BANKING**

NAME OF BANK:

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ADDRESS OF BANK:

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ACCOUNT NAME:

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SORT CODE:

ACCOUNT NUMBER:

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Gas Supplied by: \_\_\_\_\_

Electric Supplied by: \_\_\_\_\_

Water Supplied by: \_\_\_\_\_

Please confirm if you are an overseas landlord: Y ( )      N ( )

**Exclusions** – we do not

A) Accept responsibility for any act or default of the Tenant(s) or for the correctness or otherwise of information as communicated to us by way of reference when an offer is accepted

B) Take proceeding in the event of non-payment of rent or any other breach by the tenant(s), although if authorised by you, our solicitors will act in this regard provided you are responsible for all the costs and disbursements incurred as a result of this. If you request us to instruct solicitors on your behalf , you will be required to complete and sign a Landlord Authorisation form and place funds with us on account of the solicitors fees. We cannot instruct solicitors without these having been received.

C) Have any obligation to you as a Landlord(s) whilst fees are outstanding to us from you.

SIGNED BY LANDLORD: \_\_\_\_\_ DATE: \_\_\_\_\_

SIGNED BY LANDLORD: \_\_\_\_\_ DATE: \_\_\_\_\_

SIGNED BY: \_\_\_\_\_ DATE: \_\_\_\_\_

(For and on behalf of FOREST ESTATES PROPERTY SERVICES LIMITED)

## LETTING & MANAGEMENT TERMS

I / We are hereby signing for the:

Sole Agency

Multi Agency

Lease / Guaranteed

Let Only

I / We hereby instruct Forest Estates Property Services Ltd (Forest Estates) to act as My/Our Agent in the letting of the following property and grant them sole charge for the entire duration of the fixed term and any subsequent renewals, until 1 months written notice is provided by us to terminate the management agreement and is acknowledged by Forest Estates accordingly.:-

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For the initial asking rent £ \_\_\_\_\_ per calendar month At the Agreed fee of \_\_\_\_\_ % paid at the beginning of the tenancy and which is subject to VAT at the current rate. Our fees become payable upon the introduction of qualified tenant(s). The same fee will become payable on each and every anniversary of the commencement of the tenancy for as long as a tenant introduced by Forest Estates or their sub-agent remains in occupation or if the property is re-let.

**(1) This agreement gives us the right to LET YOUR PROPERTY for the entire period**

This means that you will be liable to pay us remuneration in each of the following circumstances:

- (a) If the property is let during the period of the agreement to a tenant introduced by this agency or our sub-agents. (b) If the property is let during the period of the agreement to a tenant introduced by another estate agent. (c) If a tenant is introduced by Forest Estates or their sub-agents and the property is subsequently withdrawn from the market for whatever reason prior to the tenancy being completed then the owner hereby agrees to pay to Forest Estates an administration fee equal to that of the agreed fee, plus VAT at the current rate.
- (2) All costs relating to internet and newspaper advertising, postage, travelling, stationery, sign boards, property particulars and photographs are included in the fees.
- (3) Where keys are held to properties for accompanied viewings, we do so on the strict understanding that all keys and locks are in good working order. Every endeavour will be made to re-secure the property after viewings but no responsibility can be accepted for any damage, theft or forced entry to the property whilst the keys are in our possession.
- (4) In accepting instructions to let your property we shall be deemed (in the absence of express instructions to the contrary) to be empowered to employ sub-agents.
- (5) If you are advised of works to be carried out at your property in accordance with current legislation and the Decent Home Standard, all priority 1 works will need to be carried out within 48 hours (unless works have started, or we have allowed an exception due to the nature of the works) if they are not carried out then we will instruct the works to be completed and you will be invoiced for the cost of the completion of the works with a 15% surcharge +VAT.(see schedule 1). In letting your property for long periods, expect average wear and tear which the tenant or Forest Estates will not be liable for.
- (6) By signing this I/We confirm that in accordance with the contractual tenancy or lease agreement that I/We will keep the property in a accordance with the Decent Homes Standard legislation by keeping it to a basic standard of living and all furniture that is provided will also conform to this, and that all furniture and fittings that need to be replaced if the tenant is not responsible for the damage I/We will replace all of these at our cost and if Forest Estates request works or replacement furniture and I/We confirm to them to instruct either **Verbally or in Written format I/We agree to pay the full price and agree for the amount to be deducted from forthcoming rents.**

(7) We confirm that you have authorised us to display a sign board at the property. It is an offence under The Town and Country Planning Act (Control of Advertisements Regulations) 1987 to display more than one board at any property. If you have given us authority to display a board we shall assume that no other such instructions have been given.

(8) A copy of this Agreement has been given to you.

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

For on behalf of FOREST ESTATES

I / We being the Owner / Owners of the property or their authorised agent understand and accept the terms of this agreement and authorise Forest Estates to act as our agents in accordance with this agreement and hereby give them permission to hold our property on contract for the full term and to sign an Assured Shorthold Tenancy/Lease agreement or any subsequent Notices on my/our behalf. I/We confirm that all mortgage payments are up to date at the time of signing this agreement.

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

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