



THEODORE BROWN

property management

Terms of Business

2024.2

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TERMS OF BUSINESS

This is a formal document, intended to create legal relations. Please read it thoroughly before signing.

1 PRE-INSTRUCTION REQUIREMENTS

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

1.1 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 1 day
- Your Landlord's written permission is obtained for the sub-letting

1.2 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.

1.3 Insurance

You have adequate buildings and contents insurance for the purposes of the Tenancy.

1.4 Fire Regulations/Health and Safety

Furnishings, heating and all other installations and equipment conform to all relevant statutory requirements and codes of conduct.

1.5 Fittings and Equipment

All equipment is in good working order prior to the Tenancy's commencement.

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2 OUR SERVICES

2.1 Introduction Service

In providing the Introduction Service, Theodore Brown Property Management 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
- 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 retainer or 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 £100,000 per annum)
 - ✦ Collect a tenancy 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 Rent Remittance Statement (unless you have requested our Rent Collection and Tenancy Deposit Service or Full 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

NOTE – With effect from 06 April 2007 Landlords must ensure any Tenancy Deposit is placed in a UK Government-approved tenancy deposit scheme.

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2.2 Rent Collection and Tenancy Deposit Service

In providing the Rent Collection and Tenancy Deposit Service, in addition to services listed at Clause 2.1, Theodore Brown Property Management will:

- Receive rent on your behalf and forward the balance, net of our monthly Rent Collection and Tenancy Deposit Service commission, to you or your nominee within 10 working days of receipt of the full agreed monthly rent
- Prepare and submit monthly rent remittance statements to you or your nominee (except where there is no change from the most recent statement)
- Arrange for Inventory and Schedule of Condition Reports, per Clause 3.4
- Register the tenancy deposit with a UK Government-approved tenancy deposit scheme
- 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 the Tenancy at any point after six months have elapsed by giving no less than two months' notice in writing to that effect. Such termination is without prejudice to the Agent's right to commission payable for the Introduction Service

2.3 Property Management Support Service

In providing the Property Management Support Service, in addition to services listed at Clause 2.1 and Clause 2.2, Theodore Brown Property Management will:

- 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 £500 we will, except in the case of an emergency, obtain your authorisation and, if requested, submit to you estimates for the work
- 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

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2.4 Full Property Management Service

In providing the Full Property Management Service, in addition to the services listed at Clause 2.1 and Clause 2.2, Theodore Brown Property Management will:

- Inspect the Property at least three times during the Tenancy (at commencement, mid-term and at expiry/before renewal)
- Carry out additional 'ad-hoc' inspections at your request
- 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 £500 we will, except in the case of an emergency, obtain your authorisation and, if requested, 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

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Important notes relating to the Rent Collection and Tenancy Deposit Service, Property Management Support Service and Full Property Management Service

It should be noted that our Rent Collection and Tenancy Deposit Service, Property Management Support Service and Full Property Management Service commissions will continue to apply during all periods the Property is vacant and/or unoccupied.

Theodore Brown Property Management 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.

Our Rent Collection and Tenancy Deposit Service, Property Management Support Service and Full Property Management Service does not include the redirection of mail. We are happy to provide you with details of the Royal Mail's Redirection Service.

Our Rent Collection and Tenancy Deposit Service, Property Management Support Service and Full Property Management Service does not include facilitating property visits by other agents or valuers as part of the property sales process for the purpose of applying for a mortgage or a remortgage. We are happy to arrange and supervise property access for third parties at an additional mutually agreed cost.

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2.5 Property Concierge Service

Tailored to the individual needs of families who intend to only live in their property part time, our Property Concierge Service provides peace of mind and certain knowledge that while you are away, your home is being looked after and your interests are being cared for.

Some of the home security, home maintenance and return home preparation services Theodore Brown Property Management can provide include:

- Opening and arranging all home accounts, systems, connections and the supply of utilities, telephony and other services
- Conducting weekly visits to check your home and belongings remain secure
- Inspecting the property periodically to discover any maintenance needs
- Arranging routine buildings and garden maintenance
- Managing all the paperwork between you and the local authorities, energy providers, water and sewerage services, telephony and home service providers, insurance companies, building managers and freeholders (if applicable)
- Safekeeping or forwarding all personal mail deliveries made to your home during your absence
- Making on-time payments of all energy bills, council taxes, ground rent, service charges and other property management-related expenses
- Providing entrustment for a spare set of keys
- Granting supervised access as and when required
- Being the first point of contact in the event of an emergency (e.g. burst pipes, gas leak, fire, unlawful entry) and keeping you informed of developments
- Managing any unexpected incident (e.g. dealing with local authorities, law enforcement, insurance companies) as well as the rectification of any damage
- Acting as an intermediary between yourselves and the building management company
- Cleaning and preparing your home for your arrival (e.g. stocking the fridge with specific perishable items, providing fresh flower arrangements, accepting the delivery of items/belongings)

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3 INFORMATION APPLICABLE TO ALL OUR SERVICES

3.1 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) unless stated otherwise.

3.2 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.

3.3 Tenancy Deposit

The tenancy deposit required from the Tenants is a sum equivalent of up to five weeks agreed rent. With effect from 06 April 2007 any tenancy deposit must be held in a UK Government-approved tenancy deposit scheme. If you choose either our "Rent Collection and Tenancy Deposit Service" or "Full Property Management Service" we will arrange for the tenancy deposit to be placed in a UK Government-approved tenancy deposit scheme. If you opt for our "Introduction Service" it is your responsibility to ensure the Tenancy Deposit is placed in a UK Government-approved tenancy deposit scheme.

3.4 Inventory and Schedule of Condition Reports

Unless instructed by you in writing not to do so, we will instruct an inventory clerk, independent of the parties to the Tenancy Agreement, to compile an Inventory and Schedule of Condition Report at the commencement of the Tenancy and to check it at the expiry or sooner termination. You are responsible for paying these costs.

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It is almost always impossible to successfully claim any end-of-tenancy expenses from a Tenancy Deposit if an Inventory and Schedule of Condition Report conducted before commencement is not provided to a tenancy deposit scheme with a claim after the end of a Tenancy. Where a Landlord chooses not to have such a report prepared, Theodore Brown Property Management will pass on to the Landlord the full cost of any end-of-tenancy work which would otherwise be owed by the Tenant.

3.5 Inspections

It should be noted that all inspections carried out by us as part of our Full Property Management Service or requested by you on an ad-hoc basis, are visual inspections conducted on a walk-through basis. No report is compiled. These inspections are designed to discover obvious and/or apparent defects and will not amount to a structural or other type of survey. No furniture will be moved, cupboards and drawers will not be opened and no rugs or floor coverings will be lifted.

3.6 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.

3.7 Tenancy Agreement

Unless instructed otherwise, we shall prepare an Assured Shorthold Tenancy with a 'break clause' allowing both parties the right to terminate the Tenancy at any point after half the fixed term has elapsed by giving no less than two months' notice in writing. Should you wish to provide your own Tenancy Agreement, you will be responsible for your legal fees and you must provide us with a copy within five days of signing.

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3.8 Taxes Management Act and 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.

3.9 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.

3.10 Referencing

You are responsible for paying the cost of Tenant and (if applicable) Guarantor referencing as well as Right To Rent Checks.

4 COMMISSION LEVELS AND OTHER CHARGES

4.1 Introduction Service

The commission payable for this service is 8.0% (+VAT) of the total rent payable under the Tenancy or the amount of one month's rent (whichever is the greatest) and is deducted from the initial payments received from the Tenant.

4.2 Rent Collection and Tenancy Deposit Service

The commission payable for this service is at 10.0% (+VAT) deducted from the monthly rent received by us from the Tenant.

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4.3 Property Management Support Service

The commission payable for this service is at 12.0% (+VAT) deducted from the monthly rent received by us from the Tenant.

4.4 Full Property Management Service

The commission payable for this service is at 14.5% (+VAT) deducted from the monthly rent received by us from the Tenant.

4.5 Property Concierge Service

A retainer of £750.00 per month (+VAT) is payable for this service. Alternatively, we can provide assistance at £75.00 per hour (+VAT), billed monthly. An expenses float will be held by ourselves with expenses below £200.00 deducted as required on a pre-authorised basis. Expenses above £200.00 will need your authorisation. A monthly statement of account will be provided with a request to top up the float if required.

4.6 Premature Surrender

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.

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5 DEFINITIONS

In these Terms of Business the following expressions shall have these meanings:

- 5.1 "You", "your" and "Landlord" shall mean the person(s) named, and whose signature(s) appear, on the final page of this Agreement.
- 5.2 "We", "us", "our", the "Agent" shall mean Theodore Brown Property Management (70-80 Churchill Square, Kings Hill, West Malling ME19 4YU).
- 5.3 "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.
- 5.4 "Agreement" shall mean these Terms and Conditions concluded between the Landlord and the Agent, as evidenced by their respective signatures on the last page.
- 5.5 "Property" shall mean the property to which this Agreement relates, as identified on the last page.
- 5.6 "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.
- 5.7 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.
- 5.8 "Joint and several liability" shall have the meaning ascribed to it by common law.
- 5.9 "Commission" shall have the meaning given by Clauses 4.1, 4.2, 4.3 and 4.4.

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6 CONFIRMATION OF INSTRUCTIONS

Please complete this and the next page as soon as possible so we can begin marketing your Property.

Address of Property to be Let/Managed:

Correspondence Address In England or Wales:

Chosen Service and Commission:

Bank Name:

Account Name (as appears on statements):

Bank Sort Code and Account Number:

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 Theodore Brown Property Management as Agents for services as detailed in these Terms of Business.

I/We confirm that I am/we are UK resident(s) for tax purposes.

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By signing this Terms of Business you acknowledge:

- You have not been convicted of money laundering, fraud or any other financial crime (or have a hearing pending)
- You have not been refused membership of any tenancy deposit scheme whether insurance based or custodial based
- You have never been refused a licence to operate a lettings business in England or Wales which is required under the Housing Act 2004
- You have read and understood the Right To Cancel contained in the contract and request that work starts immediately

Owner's Name: _____

Owner's Name: _____

Telephone No: _____

Telephone No: _____

Email Address: _____

Email Address: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

Signed for and on behalf of Theodore Brown Property Management:

Name: _____

Signature: _____

Date: _____

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7 RIGHT TO CANCEL

This contract is covered by the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013. This legislation gives you the right to cancel within 14 calendar days of the date it is signed provided you do so in writing. Preferably your notice should be emailed to chris.brown@theodorebrown.co.uk but it can also be delivered or sent by post to Theodore Brown Property Management, 70-80 Churchill Square, Kings Hill, West Malling ME19 4YU. Any notice of cancellation is deemed served on the day it is delivered, posted or emailed. If you have given us written permission to market your property within the cancellation period you may be required to pay our commission and/or fees if we have introduced a prospective tenant to your property prior to your serving notice.

8 NOTICE OF CANCELLATION

If you wish to cancel you may use the section below to do so or you can simply make any other clear statement setting out your decision to cancel the contract.

I/We hereby give notice to cancel the contract relating to my/our property.

Address of Property being Let/Managed:

Owner's Name:

Owner's Name:

Owner's Address:

Owner's Address:

Signature:

Signature:

Date:

Date:
