

# THEODORE BROWN

property management

Terms of Business

2013.2

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## TERMS OF BUSINESS

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

THEODORE BROWN PROPERTY MANAGEMENT  
Suite 136  
70 Churchill Square  
Kings Hill, Kent  
ME19 4YU

### 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 the final page of this Agreement.
- 1.2 "We", "us", "our", the "Agent" shall mean Theodore Brown Property Management (Suite 136, 70 Churchill Square, Kings Hill, Kent, ME19 4YU).
- 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 the last page.

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- 1.5 "Property" shall mean the property to which this Agreement relates, as identified on last page.
- 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, 5.2, 5.3 and 5.4.
- 1.10 "Introduction Service" shall be interpreted in accordance with Clause 3.1.
- 1.11 "Rent Collection and Tenant Deposit Protection Scheme Service" shall be interpreted in accordance with Clause 3.2.
- 1.12 "Full Property Management Service" shall be interpreted in accordance with Clause 3.3.

## 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.

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## 3 OUR SERVICES

### 3.1 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 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;
  1. Prepare an Assured Shorthold Tenancy Agreement (where the Tenant is an individual and the net rent does not exceed £25 000 per annum)
  2. Collect a six week security deposit and the first calendar month's rent from the Tenants
  3. Remit the balance, net of our commission, to you within 10 working days, accompanied by a Statement of Account (unless you have requested our Rent Collection and Tenant Deposit Protection Scheme 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 Tenant Deposit is placed in a UK Government approved Tenant Deposit Protection Scheme.

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## 3.2 Rent Collection and Tenant Deposit Protection Scheme Service

In providing the Rent Collection and Tenant Deposit Protection Scheme Service, in addition to the services listed at Clause 3.1, Theodore Brown Property Management will:

- Receive rent on your behalf and forward the balance, net of our monthly Rent Collection and Tenant Deposit Protection Scheme Service commission, to you or your nominee within 10 working days of receipt of the full agreed monthly rent
- 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 (optional)
- Register the Tenant Deposit with a UK Government recognised Tenant Deposit Protection 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 on giving two months written notice. Such termination is without prejudice to the Agent's right to commission payable for the Introduction service

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## 3.3 Full Property Management Service

In providing the Full Property Management Service, in addition to the services listed at Clause 3.1 and Clause 3.2, Theodore Brown Property Management will:

- Inspect the Property at least four times during the Tenancy (at check-in, at every quarter and at check-out)
- 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 £300 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

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## **Important notes relating to the Rent Collection and Tenant Deposit Protection Service and Full Property Management Service**

It should be noted that our Rent Collection and Tenant Deposit Protection Service and Full 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.

The Rent Collection and Tenant Deposit Protection Service and Full 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.

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.



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## 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 "Rent Collection and Tenant Deposit Protection Scheme Service" and "Full Property Management Service". You are responsible for the fees relating to the Inventory.

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## 4.4 Deposit

The security deposit required from the Tenants is a sum equivalent to six weeks agreed rent. With effect from 06 April 2007 any Tenant Deposit must be held in a UK Government approved Tenant Deposit Protection Scheme. If you choose either our "Rent Collection and Tenant Security Deposit Scheme Service" or "Full Property Management Service" we will arrange for the Tenant Deposit to be placed in a UK Government recognised Tenant Deposit Protection Scheme. If you opt for our "Introduction Service" it is your responsibility to ensure the Tenant Deposit is placed in a UK Government recognised Tenant Deposit Protection Scheme.

Please note that by signing these Terms & Conditions you acknowledge to the best of your ability that:

- 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 other Tenancy Deposit Protection 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

## 4.5 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 designed to highlight obvious and/or apparent defects and will not amount to a structural or other type of survey.

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## 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 8% of the total rent payable under the Tenancy, and is deducted from the initial payments received from the Tenant.

### 5.2 Rent Collection and Tenant Deposit Protection Service

The commission payable for this service is at 10% deducted from the monthly rent received by us from the Tenant.

### 5.3 Full Property Management Service

The commission payable for this service is at 12% deducted from the monthly rent received by us from the Tenant.

### 5.4 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.

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## 6 CONFIRMATION INSTRUCTIONS

So that we can proceed with the marketing of your Property(ies), please complete this page in block capitals, sign it and return it as soon as possible.

ADDRESS OF THE PROPERTY TO BE LET AND/OR MANAGED:

FULL NAME LANDLORD 1:  
(To appear in Tenancy Agreement)

FULL NAME LANDLORD 2:  
(To Appear In Tenancy Agreement)

DAYTIME & MOBILE TELEPHONE:

EMAIL ADDRESS:

UK ADDRESS FOR CORRESPONDENCE:

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 Theodore Brown as Agents for the following service as detailed in these Terms of Business. I/we confirm that we are not non-residents for tax purposes:

LANDLORD 1:  
(Signed & Dated)

LANDLORD 2:  
(Signed & Dated)

Signed on behalf of Theodore Brown Property Management: