

PROPERTY MANAGEMENT & LETTING SERVICES

LANDLORDS GUIDE & TERMS OF BUSINESS

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Find all our properties on:
www.frostandco.net
www.rightmove.co.uk
www.onthemarket.com

Preparing to Let

Obtaining consents.

Before letting a property the landlord must obtain permission from:

Any bank or building society whose loan or mortgage is secured against the property. If you do not do so the tenancy may be deemed unlawful which gives the lender an automatic right to take possession of the property.

The head landlord – in respect of leasehold properties permission may be required under the terms of your lease and if so must be applied for.

The landlord's insurance company must confirm that cover will be maintained if the property is let. In particular it is important that the Public Liability element covers any loss or injury occurring at the property. The landlord will need to continue both buildings and contents cover for the property and insurance companies should be notified of any void periods.

Utilities

The landlord will need to inform us of the location of gas, electric and water metres and provide a key if access is restricted by cupboard or gates. We will arrange for metres to be read as part of the check in/check out process and will contact utility companies with the new tenants details and the previous tenants forwarding address. However landlords must ensure that utility companies are notified of change of occupier prior to Frost & Co Ltd management or tenant find service of the property. We will also advise the tenants that they will have to set up their own telephone accounts.

Keys

There should be at least three full sets of keys. We will give two sets of keys to the tenants and retain one set for our purposes. All our keys are coded for security purposes.

Burglar alarms

It is crucial that clear detailed instructions are given where burglar alarms are installed. A 24-hour service contract should be arranged and key holder and local police should be notified of arrangements.

Instructions

A detailed set of instructions on how to live in the property will be very useful for both the tenant and ourselves, for example how to operate the gas fire, where the stopcock is located, how to operate the boiler. Please leave instruction manuals for the boiler and all domestic appliances and advise Frost & Co Ltd of any outstanding guarantees and or service contracts.

Mail

All mail should be redirected and arrangements should be made with the post office. Banks should be advised and direct debits altered where necessary.

Unfurnished or furnished. Frost & Co Ltd let properties unfurnished, part furnished or fully furnished and the landlord's legal rights are the same whichever option is taken.

We would recommend that properties be presented for let in clean & tidy order with good fixtures & fittings and tasteful décor, preferably in neutral colours such as cream, beige or white. Plain carpets or wooden flooring are most popular with tenants who have become more & more discerning. Our experience shows that a property offered in good condition will not only achieve a better rental figure but is more likely to be well maintained by a higher calibre of tenant.

If letting unfurnished the landlord is required to supply carpets or suitable flooring, curtains including nets or blinds and light fittings. As a minimum the kitchen must have a cooker in good working order and plumbing for a washing machine.

If letting furnished it pays to spend a bit more time and effort on furnishings to get ahead of your competition. There are no firm rules on exactly what you should include, however as a general guideline each room should be adequately furnished for its purpose. As a guide we would suggest all rooms have carpets or suitable flooring, curtains including net and blinds and light fittings. Bedrooms should contain a bed and a mattress in good condition - a double bed always preferable in large or master bedroom. Wardrobes should be provided if not built in along with a dressing table or chest of drawers. The lounge should contain a 3-piece suite appropriate to the size of the room, coffee tables or side tables for comfort or dining if there is no dining room. The kitchen should be complete with all essential appliances in good and safe working order e.g. Cooker, fridge, freezer and kettle. Other appliances including a dishwasher tumble dryer and microwave will help to make your property more attractive. As a guide you should provide adequate crockery and cutlery for six people – for cooking you should supply a set of saucepans, roasting dish, frying pan, colander, mixing bowl, grater, tin and bottle openers. For general household duties you should provide an ironing board, dustpan and brush, a vacuum cleaner washing up bowl and drainer. The bathroom should be fitted and should contain a shower curtain, toilet roll holder and bathroom cabinet. If there is a garden we recommend leaving a lawnmower and some gardening tools as the tenant will be responsible for keeping the garden tidy although they should not be expected to be keen gardeners. We don't recommend that stereos or televisions be left at the property as liability for repair falls on the landlord. It is important however that the landlord supplies a working TV aerial point.

Legislation affecting Landlords

Taxation

The rent after deducting allowable expenses will be subject to UK tax whether you are resident in the UK or not. If you are resident in the UK you must declare your rental income on your self-assessment form. For non-resident UK taxpayers we are required to deduct and hold at source sufficient funds from each rental payment received in order to discharge the landlord's responsibilities. If the landlord completes a NRL1 form the Inland Revenue may grant an exemption certificate and once we have received proper notification of this we shall cease to withhold further funds.

Furniture & Furnishings (Fire) (Safety) (Amendment) Regulations 2010 and Regulatory Reform (Fire Safety) Order 2005

Landlords should be aware that the furniture that they provide must comply with the above act, which has set new levels of fire resistance for domestic upholstered furniture and furnishings. All property let must contain furniture that complies with the new regulations and all furniture must comply. It is an offence to breach these conditions and all appropriate recognition of fire worthiness must be shown.

The landlord hereby warrants to the agent that all furniture and furnishings in the property to be let and included in the letting comply with the Furniture & Furnishings (Fire) (Safety) (Amendment) Regulations 2010 and Regulatory Reform (Fire Safety) Order 2005 and all statutory amendments thereto.

The Gas Safety (Installation and Use) Regulations 1998

The above act consolidates the 1994 and 1996 regulations. These regulations compel landlords to have all gas equipment, pipe work, valves, regulators, meters and flues checked on an annual basis by a CORGI registered contractor and to keep records of these inspections. The tenant must be given a copy of this certificate prior to the tenancy commencing. It is no longer sufficient to leave a certificate at the property.

Electrical Equipment (Safety) (Amendment) Regulations 1994

These regulations cover all mains voltage household electrical goods and the onus is on the landlord as the supplier that such goods are safe. Therefore the owner of the property should provide an environment, which is reasonably suitable for occupation, and on no account, should there be any loose wire protruding from walls unless made safe. Instruction booklets relating to electrical equipment should be left for the tenants use.

Electrical Installation Condition Report

From 1st June 2020 it is a requirement for Landlords to provide their tenant with a satisfactory EICR to ensure that national electrical safety standards are met.

Smoke Alarms

The regulations require private rented sector landlords, from 1 October 2015, to have: at least one smoke alarm installed on every storey of their rental property which is used as living accommodation, and a carbon monoxide alarm in any room used as living accommodation where solid fuel is used. After that, the landlord must make sure the alarms are in working order at the start of each new tenancy.

Legionella Risk Assessment

Due to recent changes to the legislation relating to the control of legionella it now means that residential lettings are covered by **Approved Code of Practice L8 and HSE 274**, therefore landlords, property owners and managers must ensure that legionella risk management is carefully managed. In order to comply with the Health and Safety Executive's code of practice Landlords must carry out a risk assessment at their property. By signing this agreement you confirm that you have considered all risks regarding Legionnaires Disease. Our inventory service will carry out a Legionella Risk Assessment as part of their inventory service.

Deposit Protection Scheme

As part of the Housing Act 2004 the Government has introduced tenancy deposit protection for all assured shorthold tenancies (ASTs) in England and Wales where a deposit is taken. The legislation aims to ensure that tenants who have paid a deposit to a landlord or letting agent and are entitled to receive all or part of it back at the end of that tenancy, actually do so. The legislation covers virtually all new AST contracts through which private landlords let property in England and Wales. Frost & Co Ltd are members of The Deposit Protection Scheme, which is administered by:

The Deposit Protection Scheme

The Pavilions

Bridgewater Road

Bristol

BS99 6AA

Phone 0330 303 0030

Web www.depositprotection.com

Email contactus@depositprotection.com

Managing the Property

Tenant vetting

We will carry out stringent checks on prospective tenants including their ID, credit references, income details and obtain references from their employers and or previous landlords if applicable.

Tenancy agreements

Our tenancy agreements comply with the Housing Act and are written in plain English and are easy to understand. Our tenancy agreements fully protect your rights as a landlord and are subject to regular review.

Executing the tenancy agreement

It is usual for the landlords to sign their own tenancy agreement and tenants theirs however Frost & Co Ltd reserve the right to sign tenancy agreements and other documents on behalf of a landlord should the landlord not be contactable. It is therefore important that we are given clear written instructions regarding the length of time the property will be available for letting.

Holding fees and Security deposits

A holding fee capped at one weeks rent is taken from the tenant applying to rent the property. The purpose of this fee is to verify the tenant's serious intent to proceed, and to protect the agent against any administrative expenses that may be incurred should the tenant decide to withdraw the application. The holding fee does not protect the landlord against loss of rent due to the applicant deciding to withdraw the application or references proving unsuitable. Upon signing the tenancy agreement, the agent will take a dilapidations deposit from the tenant(s) in addition to any rents due. The Tenants Fee Ban Act limits this deposit to an amount equivalent to five weeks rent. This deposit will then be handed over to The Deposit Protection Service or another Government approved scheme as part of our obligations under the Housing Act 2004. At the end of the tenancy, if the landlord and tenant agree how the deposit should be repaid we will inform the scheme administrator and complete this process on your behalf. As part of our fully managed service we will administer any deposit dispute resolution.

Inventory, schedule of condition and check-in checkout service.

An inventory and schedule of condition is an essential element of the tenancy. We will prepare a detailed inventory on your behalf and organise the tenant signing a copy of these documents. This important information provides a comprehensive record of the condition of the property and is vital to avoid differences of opinion during or at the end of the tenancy. At the end of the tenancy a checkout visit will take place and a further report will be available to the landlord. Costs vary according to the size of the property and our fees for this service are listed later in this document. **Frost & Co Ltd** will not accept any responsibility should landlords prefer to carry out their own inventories.

Rent guarantee

Frost & Co Ltd can provide rent protection through referencing providers (subject to terms and conditions) if required. Please ask for a quote should you wish to purchase this cover.

Repairs

We will investigate any faults reported at a property and instruct contractors to carry out repairs. In the case of minor repairs or emergencies (up to £200 excluding VAT per item of repair) these works will be carried out immediately without reference to you providing we are holding sufficient funds. Where major works are necessary an estimate will be obtained and sent to you for approval. Should the costs of these works exceed £200 we may charge a fee of 10% of the net invoice plus VAT.

Council Tax

Payment of council tax will normally be the responsibility of the tenants in the property. However, landlords should be aware that where a property is empty, let as holiday accommodation or as a house in multiple occupation responsibility for the payment of the council tax rests with the owner of the property.

General requirements and formalities

General authority

The landlord confirms that he/she is the sole or joint owner of the property and that he/she has the right to let the property under the terms of the mortgage and head lease. Where necessary the landlord confirms that permission to let has been granted by the mortgagee. The landlord authorises the agent to carry out various duties of property management as agreed. The landlord also agrees that the agent may take and hold deposits on behalf of the landlord as stakeholder.

Rents

We will agree a rent to be quoted to potential tenants, guidelines for which will be given at the valuation. Unless otherwise specified this will include all payments for which the landlord is responsible. However, gas, electric, telephone, water & sewerage rates and council tax become the responsibility of the tenant. Rents are normally collected each calendar month unless otherwise agreed at the outset of the tenancy. Provided we are given the landlord's bank or building society details we will automatically transfer the net rental receipts to that account as soon as funds have cleared our account. Statement to landlords will also be sent out together with copies of all receipts.

Instruction of solicitors

Should any rent arrears or breaches of covenant be brought to our attention you will be informed. Thereafter should legal action be thought necessary the landlord will be responsible for instructing his own solicitor and for any fees or charges pertaining there to. We cannot take legal action for the landlord as the tenancy agreement is between the landlord and the tenant not ourselves.

Indemnity

The landlord agrees to indemnify the agent against any costs expenses or liabilities incurred or imposed on the agent provided that they were incurred on behalf of the landlord in pursuit of the agent's normal duties. To assist the agent in carrying out his duties effectively the landlord agrees to respond promptly to any correspondence or requests from the agent.

Change of ownership

In the event of the property being sold on with the benefit of the tenancy Frost & Co Ltd will look to the original landlord of the property for the letting commission due for the introduction of the tenant for howsoever long the tenancy lasts and any extension thereof by Frost & Co Ltd or their representatives the landlord (new or old) or any other persons or agents.

Selling to the tenant

In the event of the tenant or any associated party negotiates the purchase of the property which he/she is renting or has been renting within the last six months Frost & Co Ltd will charge a commission of 1.5% plus VAT of the agreed purchase price. The fee is payable upon completion of the sale whether or not negotiations have been carried out by Frost & Co Ltd.

Fee Charges

Frost & Co Ltd reserve the right to vary the quoted fee rate during the course of the tenancy by giving two months written notice of their intention to do so. Should a landlord wish to change services then this will be subject to agreement of the tenant. All charges are subject to VAT at the prevailing rate.

Termination

This agreement may be terminated by either party by way of three months written notice at anytime after the first three months of the tenancy subject to a minimum period of six months. A placement fee equivalent to one months rent will be payable where the landlord intends to continue letting to tenants introduced by the agent after the termination of this agreement.

The landlord shall provide the agent with any requirements for return and repossession of the property at the earliest opportunity. Landlords should be aware that any tenancy agreement entered into on the landlord's behalf is a binding legal document for the term agreed. Details of the tenancy agreement being entered into will be communicated to the landlord as soon as possible.

Landlords should be aware that the legal minimum notice period to tenants under assured short hold tenancies is two months and this needs to be given even in the case of a fixed term tenancy which is due to expire.

OUR SERVICES

Frost & Co Ltd offer two levels of service charged at varying rates as set out below:

A. FULL PROPERTY MANAGEMENT

Under this service our fees are collected upon receipt of rental payments. This service includes the following:

- Valuing, photographing, advertising and marketing properties to let
- Advising on the preparation of the property for letting
- Displaying properties on various property portals including Rightmove, On the Market and the t & Co website.
- Carrying out viewings and appraising applicants during the viewing by asking relevant questions
- Referencing and credit checking of applicants
- Home Office Right to Rent checks of tenants
- Commissioning inventories including condition and contents
- Registering the deposit with the DPS or government schemes
- Ensuring continuing compliance with legislation for:
 - Right to Rent Checks
 - Gas regulations: gas safety checks (CP12)
 - Electrical regulations
 - Registering and transferring deposits to the TDS
 - Smoke and carbon monoxide detectors
 - Energy Performance Certificates (EPCs)
 - Legionella regulations
- Preparation of letting documentation including the tenancy agreement and all statutory paperwork required to comply with the letting protocol.
- Signing the tenancy agreement on behalf of the landlord and releasing the keys
- Invoicing, receiving and the paying over of rent to landlords via internet banking
- Monitoring and pro-active chasing of rent arrears
- Providing an out of hours emergency repairs service during holiday periods
- Regular property inspections and reports to landlords
- Handling repairs and refurbishments
- Providing advice on rental levels and market conditions and carrying out rent reviews if appropriate
- Serving s6a Notices to end tenancy in compliance with statutory regulations
- Serving s8 Notices for breaches of tenancy
- Check out inspections, quantifying dilapidations, liaison with the landlord and negotiation with the tenant over deductions from deposit for dilapidations.
- Dealing with deposit disputes and the release of the deposit from the Deposit Protection Scheme
- Providing monthly statements of account
- Providing Annual Summary for tax purpose

B. INTRODUCTION ONLY

A one off fee is charged for introducing a tenant to the landlord. This service includes the following:

- Tenant selection
- Referencing
- Preparation of tenancy agreement
- Preparation of an inventory and check out
- Transfer of residue rents and deposit to landlord.

Upon instruction we reserve the right to erect a 'to let' board outside the property unless otherwise instructed by the landlord.

Our Charges

Unless otherwise stated on the acceptance form our standard charges for these services are as follows:

FULL PROPERTY MANAGEMENT MONTHLY CHARGE: 10% plus VAT / 12% inc VAT

New tenancy	£199 plus VAT / £238.80 inc VAT
Right to rent checks <u>per tenant</u>	£25 plus VAT / £30 inc VAT
Deposit protection (inc dispute service)	£75 plus VAT / £90 inc VAT

Inventory & check out (inc smoke alarm check):

One bed or studio	£150 plus VAT / £180 inc VAT
Two bed	£170 plus VAT / £204 inc VAT
Three bed	£190 plus VAT / £228 inc VAT

Renewal of tenancy	£150 plus VAT / £180 inc VAT
Annual Gas Safety Certificate (inc contractors invoice)	£95 plus VAT / £114 inc VAT

Electrical Safety Certificate:

One bed or studio	£145 plus VAT / £174 inc VAT
Two beds	£165 plus VAT / £198 inc VAT
Three beds	£185 plus VAT / £222 inc VAT

Rent Guarantee Insurance	Cost available on request
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TENANT FIND SERVICE:

For a six month tenancy	equivalent to 3 weeks rent plus VAT and subject to min charge of £695 plus VAT/ £834 inc VAT
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For a twelve month tenancy	equivalent to 4 weeks rent plus VAT and subject to min charge of £845 + VAT/ £1014 inc VAT
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ALL FEES ARE SUBJECT TO VAT at the prevailing rate.

Acceptance of terms & conditions

Name(s): -

Telephone number:

Email:

Landlord(s) address:-

Property to be let: -

I/we hereby appoint Frost & Co Ltd. as my/our agent to undertake all subsequent management of the above property for the duration of the tenancy on the terms and conditions of agency attached hereto.

I/we authorize Frost & Co Ltd. to receive rents and to account to me after deductions of outgoings and management expenses.

SELECTION OF SERVICE (please circle): -

- A. Full Property Management
Monthly fee of 12% inc VAT/**10% plus VAT**
Landlord fees as outlined

- B. Introduction Only
Landlord fees as outlined

I/we have selected the full property management service and agree that any maintenance repairs up to and including £200 per item plus VAT can be carried out without prior reference to me/us. I/we also agree that any necessary expenditure consistent with good estate management in instances where, due to a lack of time or unusual circumstances, it had been unreasonable or impracticable to obtain instructions may be carried out on my/our behalf and expense.

I/we have selected the introduction only service and understand that Frost & Co Ltd. will not be held liable or take part in any negotiations on damages and will only release the deposit in accordance the rules of the relevant deposit scheme.

If I/we decide to withdraw the property from the market prior to the tenancy commencing, I/we will be liable to refund the tenants expenses i.e. referencing and setting up costs, together with any costs incurred by Frost & Co Ltd. for gas checks, inventories etc.

I/we confirm that I/we are the sole owners of the property and have read and understood the landlord's information contained within this document and accept the terms and conditions as outlined. I/we hereby authorise Frost & Co Ltd. to act on our behalf.

Signed (client)..... Printed.....Date.....

Signed (Frost & Co Ltd).....Printed.....Date.....