

Terms of Business

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November 2018

This Terms of Business document, along with the **Landlord Agreement** forms the legally binding basis of which UEG Limited trading as Hamlet Homes^{#1} will conduct business with you the Landlord. The terms of this document and the **Landlord Agreement** become enforceable once Hamlet Homes receive your written or verbal instructions to act on your behalf.

These terms of business may be amended from time to time, the latest copy being available on our website: <http://www.hamlethomeswarrington.co.uk/>

^{#1} including any new entity following restructuring, sale or asset transfer.

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1. Services Offered to Landlords

Landlords can select one of the following services:

i. First Choice: Letting and Management Service

Hamlet Homes Letting and Management Service consists of the following:

- Rental appraisal of your property
- Management during void periods (fee applies)
- Advertise your property
- Periodic Property Visits
- Accompanied Viewings
- Prepare full written inventory (fee applies)
- Prepare digital photo inventory
- Introduction and comprehensive credit referencing of tenant(s) & agreeing terms
- Manage all enquiries from tenant and landlord
- Collection of rent and deposits
- Repairs and maintenance (fee applies)
- Electronic Landlord(s) reports and monthly accounting statements
- Arrange Tenancy renewal/extensions (fee applies)
- Arrange Rent Guarantee Insurance (fee applies)
- Key holding service
- Arrange Gas/PAT/Electric Safety checks if required (fee applies)
- Assistance with Insurance claims
- Arrange furnishings/refurbishment if required (fee applies)
- Arrange Energy Performance Certificate if required (fee applies)
- Reading meters and notifying all utilities
- Check in of the Tenant
- Preparation of Tenancy Agreement

ii. Second Choice: Let Only Service

Hamlet Homes Let Only Service consists of the following:

- Rental appraisal of your property
- Advertise your property
- Accompanied viewings
- Introduction and comprehensive credit referencing of tenant(s) and agreeing terms
- Arrange Rent Guarantee Insurance if required (fee applies)
- Arrange Energy Performance Certificate if required (fee applies)
- Arrange Gas/PAT/Electric Safety checks if required (fee applies)
- Arrange furnishings/refurbishment if required (fee applies)
- Prepare full written inventory (optional, fee applies)
- Prepare digital photo inventory
- Preparation of Tenancy Agreement
- Check in of the Tenant

2. Description of Services

1. Rental appraisal of your property

We visit your property and advise you as to the rent you could charge and, if required, any improvements you could make to the property to enhance its desirability. We also discuss with you all the legal aspects of letting your property.

2. Advertise your property

Your property will be showcased on our website www.hamlethomeswarrington.co.uk, on all major web portals and on social media sites including Twitter, Facebook and Google+, local and regional newspapers and magazines or other media where thought to be appropriate, unless otherwise instructed.

3. Accompanied viewings

We will accompany potential tenants around your property, highlighting all the best features enabling us to let your property as quickly as possible, minimizing any void time and hence saving you time and money. (We conduct viewings 7 days a week and late weekday evenings). Please note: There may be times when we are unable to accompany a viewing, we will of course discuss this with you and offer alternative options. We will not under any circumstances release keys to the potential tenants.

4. Introduction and comprehensive referencing of tenant(s) and agreeing terms

We will undertake a comprehensive assessment of any potential tenant(s) interested in renting your property. We will also negotiate the terms of the tenancy between yourself and the tenant(s).

5. Collection of rent and deposit

We will collect rent on your behalf in accordance with the terms of the agency agreement. If the rent has not been paid seven days after it falls due we will notify you at the earliest possible opportunity and will attempt to obtain payment from the tenant(s) by means of telephone calls and written notices. We will also offer advice regarding legal proceedings for the recovery of the rent and repossession of the property where appropriate. We cannot be held responsible if the tenant(s) fail to pay his/her contractual rent.

If a deposit is taken, it will forward to the Deposit Protection Scheme (DPS). A deposit from the tenant(s) will cover against unpaid rent or bills, dilapidations and any other costs or losses incurred as a result of any breach of the terms of the tenancy agreement by the tenant.

We will forward the balance of rents received less our allowable fees and expenses to you or your nominated bank account within a reasonable amount of time, the amount of time may vary according to the banks clearing system.

6. Electronic landlord reports and monthly account statements

The aim of this report is to keep you informed of the activities we carry out on your behalf.

We will prepare and submit to you an up-to-date Landlord report with each statement/invoice (advising you of the payments we are making to you). We will send you a copy of the management report each month, even if there are no funds to transfer to you.

7. Key Holding service

For you and your tenant's benefit we require a set of keys in order to be able to manage your property effectively. These will be held in our secure system and made available to our approved suppliers or any other party authorised by you.

8. Landlord Insurance

Your property is a valuable investment and security of income is of the utmost importance. It may be prudent therefore, to insure against the risks associated with letting a property. We have negotiated an exclusive arrangement with a few specialist Property Insurance Brokers, to offer the following Landlord Insurance covers at competitive rates:

* Buildings & Contents – Protection against damage to the building including Accidental or Malicious Damage.

- * Loss of Rent – Protection against loss of rent incurred as a result of such damage.
- * Alternative Accommodation – Protection against costs to temporarily re-house your tenants following damage.
- * Landlords Liability – Protection against claims resulting from a tenant/visitor sustaining injuries at the property.
- * Eviction of Squatters Insurance – Protection against the legal costs involved in removing squatters.

We would also recommend that you take additional cover for "malicious damage" at the same time as the main cover.

For more information and a **No-obligation** quote, please quote "**Hamlet Homes**" when contacting:

BRADSHAW BENNETT

Tel: 01942 875 145, Ask for Chris Lawson, chris@bradshaw-group.co.uk

Web: <http://www.bradshawbennettlanacs.co.uk/>

9. Rent Guarantee Insurance

Rent guarantee insurance will protect you against any non-payment of rent by your tenant(s) and will cover the legal costs of an increasingly complex and expensive eviction process.

Hamlet Homes will automatically place your tenants under cover for you, unless you notify us in writing that you want to be excluded from this cover. Please see our Commission and Charges in the Landlord Agreement for current charges.

10. Insurance Claims

Activities relating to the arrangement and administration of insurance are governed by the Financial Services and Markets Act 2000. As a result, insurance companies will only accept claims reported to and submitted to them by you the insured.

We will assist you in the process and provide you with the information that you need in order to make a claim. We will obtain estimates for repairing the damage which can be supplied to the insurers. We will arrange any remedial work once you have agreed this with the insurance company and upon your instructions. Where we are instructed to assist with an insurance claim on your behalf we will charge an administration fee of 10% plus VAT on the total value of the claim.

11. Management during void periods

Our management service does not automatically include the supervision of the property when it is not let. During this time you can instruct us to make specific visits, (please see our Commission and Charges in the Landlord Agreement for details), **or**

We will continue to manage the property during the void periods for a fee (please see our Commission and Charges in the Landlord Agreement for details). We cannot be held liable for any loss or damage resulting from fire, flood or theft. If you require supplies to be turned off or disconnected during this period, we must receive your instructions in writing and will arrange for the required contractor to attend at your expense. You are also advised to contact your insurance company should the property be empty for longer than thirty days.

12. Periodic Management Visits

We will undertake property visits as required, initially within 4 months of a tenancy starting, thereafter as often as needed based on the tenants lifestyle, however, at least once a year. Our management will also include investigation and reporting of defects that come to our attention.

These visits and/or investigation of defects can only provide a superficial examination and are not intended to be a structural survey or inventory check. We cannot accept responsibility for hidden or latent defects.

13. Waiting at properties

If we attend the property on your behalf due to you instructing a contractor or we have to use a contractor to attend the property who is unable to collect keys from our office or is unable to give a specific time of call we will charge a waiting fee (please see our Commission and Charges in the Landlord Agreement for details).

14. Prepare full written and digital inventories when checking tenants in and out

When opting for our First Choice service, or otherwise by request, we will carry out a detailed inventory of your property's fixtures, fittings and contents and compile a Check-In report at the start of each tenancy and a Check-Out report at the termination of the tenancy. You will receive a written report plus with digital photos detailing the condition your property. We would like to emphasise the importance of having a comprehensive inventory carried out, as this will form the basis of your evidence should you ever need to prove the condition of your property during a

dispute. Written Inventories are charged at a rate dependent upon the number of bedrooms and whether the property is furnished or unfurnished (please see our Commission and Charges schedule for prices).

15. Furnishing and refurbishment

Properties that look their best, let quickly and achieve higher rents. To this end and by request, we can offer you the services of '**FINISHING TOUCHES**', which has been designed to help you achieve the maximum return on your investment. Please ask a one of our team for further details.

16. Annual arrangement of all Compliance Checks (Safety regulations)

We will instruct all the necessary contractors to bring the property to a legal lettable state on first let, this includes, but is not limited to the following: EPC, Gas Safety, Legionaries RA, Electrical Equipment, Smoke and CO2 Alarms.

17. Manage all enquiries from tenant(s) and landlord(s)

We will deal with all day to day enquiries from your tenant(s), resolving any queries and problems as quickly as possible. A tenant who is happy will stay longer, helping to minimise void periods.

We are, of course, also available to help you with any enquiries or problems you may want resolving as quickly and efficiently as possible.

18. Repairs and maintenance

On your behalf and where brought to our attention, we will attend to the day to day minor repairs and maintenance of the property and its contents up to the value of £100 without reference to you, providing we are holding sufficient funds.

To enable us to meet any expenditure on your behalf, we may require a minimum float of £100 (or other amount to be agreed in writing). Please note that we cannot undertake to meet any outgoings beyond the funds available in your account with us.

When requested, we will obtain estimates for your consideration, for works likely to cost more than £100 and submit them to you for your approval before the start of the work. However, if this is not possible, in an emergency and where we consider it necessary, we will arrange for the work to be completed without consultation to protect your interests. We will advise you of the costs as soon as possible thereafter.

All work instructed on your behalf will be with your consent or imposed on us due to any statutory obligation or in an emergency. You grant us full authority to act in your best interests and you will be responsible for meeting all invoices. If there are insufficient funds within your account with us, we may provide your contact details to the supplier/contractor so that they can apply to you for payment.

We will charge an administration fee on the total cost of any works arranged by us subject to a minimum fee (please see our Commission and Charges for details). This total amount will be debited from the next available rental income payment.

19. Duty of Care

You as a landlord and we as an agent have a legal duty of care to our tenant, a responsibility that we take very seriously. We expect maintenance and repairs that affect the health and safety of the tenant to be addressed in a timely manner by the landlord. Matters that pose an imminent danger to the tenant (including but not limited to electrical, gas, CO², structural instability, security) must be actioned straight away and you grant us the full authority to take the necessary remedial action as deemed by a certified professional of the relevant field.

Failure to allow us to carry out our responsibility will be considered a material breach of contract and result in immediate termination by us, removing ourselves from management of your property. Our full termination fees would become immediately due as a result of the failure.

20. Read all meters and notify utility companies

When taking our First or Second Choice service, if you provide us with the names of the relevant utility companies, we will notify your existing service providers and the local authority of the tenant's liability for the payment of the services and council tax during the term of the tenancy.

At the end of the tenancy we will contact the service providers and either request the transfer of services back to you or to a new tenant. Please note that we cannot be held liable if for any reason services are disconnected or are not transferred by the service providers.

21. Mail at Property

Any mail arriving at the property that is NOT addressed to the current tenant will be marked "return to sender" and placed back into the mailbox, as advised by Royal Mail.

We advise all out-going tenants to arrange for a mail redirection service from the Post Office, and would also recommend this service to you if you have previously lived at the property.

22. Non - Resident Landlord(s)

All income from letting property within the United Kingdom is subject to UK income tax, even for Landlord(s) who live outside the UK. In the case of Landlord(s) who do live abroad 'HM Revenue and Customs' (HMRC) require us, as your agent, to deduct basic rate tax from any rent collected. We then pay (HMRC) the tax deducted quarterly.

The collection of tax and the quarterly payment to (HMRC) are free from any additional charge by us.

Non-resident landlords can apply for approval to receive their rental income gross on the basis that:

- the Landlord's UK tax affairs are up to date; or
- they have never had any UK tax obligations; or
- they do not expect to be liable to UK tax for the tax year in which the application is made.

When approval has been given, HMRC sends:

- a notice of approval to receive rent with no tax deducted to the non-resident landlord
- a separate notice to the letting agents or tenants named on the application form authorising them to pay rent to the non-resident landlord without deducting tax

The approval does not mean that the rental income is exempt from UK tax. Although the rental income will be paid with no tax deducted, it is still liable to UK tax and the non-resident landlord must include it on any tax return HMRC sends. More information can be found on the following link <https://www.gov.uk/government/collections/non-resident-landlords-forms>

Our NRL Registration number with HMRC is **904/NA 050889** this may be required when applying for approval to receive their rental income gross.

23. Self-Assessment tax report

In order to help you with your Self-Assessment tax return, we will, for each property managed on your behalf, provide you and/or your accountant, each financial tax year with:

- A summary of your income and expenses for the relevant tax year.
- A pre-filled copy of the land and property section of your tax return. This can be supplied by post and/or email and will only take into account rent and expenses that we have handled for you. The figure provided in the 'Rents and other income from land and Property' is based on any rent collected by us in the tax year (not the rent contractually due).

24. Termination

Your contract with us can be terminated at any time in writing, first and second choice options are subject to a 3 month termination notice period; the notice period extends to 12 months if you have taken any offer which resulted in fees paid being lower than our standard commission and charges as laid out in the Landlord Agreement.