

## RESIDENTIAL PROPERTY LETTING SERVICE

Thank you for enquiring about our services. You will find below information which we hope will be of use to you. We pride ourselves in providing a very professional service to Landlords and Tenants and we are registered members of **NALS (National Approved Letting Scheme)** and **The Property Redress Scheme**.

The majority of residential lettings by private landlords are “Assured Shorthold” tenancies introduced under the Housing Act 1988. We normally recommend a six-month tenancy initially and the tenancy can then continue thereafter on a monthly basis unless otherwise agreed. It is generally preferable to let a property without furnishings but with curtain rails, ovens and hobs. If furnishings are left in the property they must comply with the Furniture and Furnishing (Fire Safety) (Amendment) Regulations 1993.

### Choose one of the options we offer:

#### Option 1: Tenant Finder Service

With this service we undertake to do the following:

- find and approve with you an appropriate tenant for your property, having checked their suitability by way of credit reference searches, checks and references
- draw up an Assured Shorthold Tenancy Agreement on your behalf with the agreed tenant and take a deposit and initial rent payment from the tenant
- undertake a check-in schedule of condition/inventory of the property with the tenant at the start of the tenancy and register them with the Council and the utility providers.
- forward to you the Tenancy Agreement and rent payment net of our fees for your own management of the tenancy and our involvement would end.
- Register the deposit with the Tenancy Deposit Scheme and hold it in our client account (protected by the National Approved Lettings Scheme)

The fees payable for this service are given below and are only payable in the event of us finding a suitable agreed tenant for the property. We can, if agreed, hold the deposit on your behalf but if not it would therefore be necessary for you, as a landlord, to register with a deposit protection scheme in your own name in order to hold the tenant's deposit, as required by law.

### Tenant Finder Service Fee:

One-off fee	84% of the agreed monthly rent inc VAT (75% + VAT)	Referencing of tenants (ID checks, Right-to-Rent check, financial credit checks, obtaining references from current/previous employers/landlords and any other relevant information to assess affordability; contract negotiation (amending and agreeing terms) and arranging the signing of the tenancy agreement.
Deposit Registration fees	No charge	
Inventory	No charge for unfurnished.	Furnished property negotiable
<b>Optional:</b> End of tenancy check out	Cost £90.00 (inc.VAT)	Optional – landlord can choose to do check out themselves

### Option 2: Full Tenancy Management Service

Under this service, we perform all the Tenant Finder Services **plus**:

- We would hold in our Clients account the Tenant's deposit for the duration of the tenancy and register the deposit with the "Tenancy Deposit Scheme". (No interest is payable).
- Collect the monthly rent and forward to you the balance each month after fees and any payments for repairs etc.
- Pursue non-payment of rent and provide advice on rent arrears action
- Maintain regular contact with the tenant and yourselves.
- Provide out-of-hours emergency service for your tenant
- Arrange for any necessary minor repairs to the property and to refer to you, as landlord, for any repairs above £100 or an upper limit as otherwise agreed with you.
- Undertake regular inspections of the property and report to you the result of such inspections
- Generally, to be the main point of contact for the tenants during the tenancy.
- Organize procedures at the end of tenancy including a final inspection and return the tenancy deposit.

### Full Management Service Fees: (These are in place of, and not additional to, the Tenant Find Fee)

Monthly Fee	12% of rent collected inc. VAT (10% + VAT)	
Tenancy set-up fee	£150.00 (inc. VAT).	Referencing for <b>up to two</b> tenants (ID checks, Right-to-Rent check, financial credit checks, obtaining references from current/previous employers/landlords and any other relevant information to assess affordability; contract negotiation (amending and agreeing terms) and arranging the signing of the tenancy agreement)
Additional tenant referencing fees: Only if applicable	£50 (inc VAT) per tenant.	As Tenancy Set-up Fee above for additional tenants
Guarantor fees Only if applicable	£50 (inc VAT) per guarantor.	Covering credit referencing and preparing a Deed of Guarantee or as part of the Tenancy Agreement
Deposit Registration fees	£3.60 per month (inc VAT)	
Termination Fees:	<ul style="list-style-type: none"> <li>- 2 weeks rental income + VAT</li> </ul> Or <ul style="list-style-type: none"> <li>- £100 + VAT</li> </ul>	Applicable if landlord cancels agreement with Red Deer Country Lettings Ltd: <ul style="list-style-type: none"> <li>- within 6 months</li> <li>- after 6 months</li> </ul>
Inventory	No charge for unfurnished.	Furnished property negotiable
Court attendance fees (if applicable)	£50 (inc VAT) per hour	

**Void periods:** We do not charge the landlord a monthly fee during void periods. We will 'keep an eye' on void properties during viewings. If the landlord wishes for inspections to be made during void periods this can be done by arrangement at a charge of £25 + Vat per inspection + mileage at £0.45.

### Option 3: Rent Collection Service

Under this service, we perform all the Tenant Finder Services **plus**:

- Collect the monthly rent and forward to you the balance each month after fees
- Pursue non-payment of rent and provide advice on rent arrears action.

#### Rent collection service fee:

Monthly Fee	6% of rent collected inc. VAT (5% + VAT)	
Tenancy set-up fee	£150.00 (inc. VAT).	Referencing for <b>up to two</b> tenants (ID checks, Right-to-Rent check, financial credit checks, obtaining references from current/previous employers/landlords and any other relevant information to assess affordability; contract negotiation (amending and agreeing terms) and arranging the signing of the tenancy agreement)
Additional tenant referencing fees: Only if applicable	£50 (inc VAT) per tenant.	As Tenancy Set-up Fee above for additional tenants
Guarantor fees Only if applicable	£50 (inc VAT) per guarantor.	Covering credit referencing and preparing a Deed of Guarantee or as part of the Tenancy Agreement
Deposit Registration fees	£3.60 per month (inc VAT)	
Termination Fees:	<ul style="list-style-type: none"> <li>- 2 weeks rental income + VAT</li> </ul> Or <ul style="list-style-type: none"> <li>- £100 + VAT</li> </ul>	Applicable if landlord cancels agreement with Red Deer Country Lettings Ltd: <ul style="list-style-type: none"> <li>- within 12 months</li> <li>- after 12 months</li> </ul>

## GENERAL INFORMATION FOR LANDLORDS

### Statutory Checks and general property maintenance

If we are managing the property for you we have a legal responsibility jointly with you, as landlord, to ensure that checks and necessary repairs are undertaken. If you manage the property yourself the regulations apply fully and it is totally your responsibility to ensure compliance. **Note that the fines imposed for failure to comply are substantial.**

Maintenance of electrical equipment, central heating and plumbing systems etc remain the responsibility of the landlord during a tenancy as does maintenance of any appliances provided as part of the tenancy. Central heating/hot water boilers should be serviced annually.

It is a legal requirement for a let property that all gas appliances must be checked for safety annually by a Gas Safety registered engineer and preferably serviced as well. The safety legislation applies to all appliances fired by mains or propane gas; heaters, fires, boilers, cookers etc., but excludes portable appliances supplied from a cylinder. See relevant section below for more details.

If we act as your managing agent, we will normally carry out emergency or essential repairs up to a limit of £100. If a greater sum of money is required we will attempt to contact you first. Any non-essential repairs will be referred to you in the first instance. If you instruct us to use a particular contractor we shall be pleased to use whoever you nominate, but otherwise we shall instruct a contractor of our choice.

### Energy Performance Certificates

As from April 2018 rental properties are required to have an energy performance certificate with a minimum banding of E for new lettings. From 2020, this will apply to existing tenancies too. The certificates are valid for 10 years. Red Deer Country Lettings can arrange for an energy assessment to be undertaken at your property by a local assessor. Listing properties are however exempt from these requirements.

### Buildings and Contents Insurance

The landlord must maintain any buildings cover and advise their Insurance Company that they are intending to let their property. Where property is let in a furnished state or with carpets, curtains and some appliances we strongly recommend that contents insurance is maintained

### Income Tax

Income tax is chargeable on the balance of the rental obtained.

Landlords resident in the U.K. or who have a U.K. employer and are paid in this country are responsible for their own tax affairs regarding rental income.

Landlords who are going overseas are recommended to appoint an Accountant who will be responsible for any necessary returns to the Inland Revenue. For landlords who are not ordinarily resident in the U.K., agents/accountants are obliged legally to account for tax on rental income and make a return to the Inland Revenue. From the 6<sup>th</sup> April 1996 Letting Agents of a non-resident landlord must deduct tax at the basic rate from the landlord's U.K. rental income and pay the tax quarterly to the Inland Revenue unless the landlord

registers with the Inland Revenue to receive rental income gross. For further advice on this matter please ask us.

## Legal safety requirements

### Gas appliances

There are **mandatory** requirements for safety checking. The Gas Safety (Installation and Use) Regulations came into force on 31st October 1994. These and subsequent Regulations affect all tenanted properties in both single and multi occupation and are enforced by the Health and Safety Executive (HSE). **Severe penalties with fines of up to £5000 can be applied in cases of non-compliance.**

The main requirement of this legislation directs all landlords to:

- maintain gas appliances they provide for tenants to use
- to have the appliances, including boilers, checked for safety at least once per year by a 'Gas Safety' registered engineer
- to keep records of these checks and any work done. It is a requirement that the tenant is provided with a copy of these records (Landlord's Safety Certificate).

### Oil appliances

The General Product Safety Regulations 2005 require that any product supplied must be safe. This includes products supplied in the course of letting a property such as oil-fired central heating boilers and stoves which must be regularly maintained and checked. We recommend that such appliances be checked by a qualified engineer annually.

### Furniture

Upholstered furniture in rented accommodation must meet the flammability requirements in the Furniture and Furnishing (Fire) (Safety) Regulations 1988. Any such furniture which was already being supplied in the same rented accommodation which was first let before 1 March 1993 and is still let to the same tenant who started a tenancy before 1 January 1997 need not comply until a new tenancy is introduced. However, any additional or replacement furniture provided since 1<sup>st</sup> March 1993 must meet the requirements. **All upholstered furniture in properties first let on or after 1<sup>st</sup> March 1993 must comply.** The list of upholstered furniture which must meet the flammability regulations is wide and includes mattresses, upholstered bed bases and headboards, sofas and armchairs, duvets and pillows. Anything not carrying a manufacturer's label claiming compliance must be suspect. There are exemptions for furniture manufactured before 1950.

### Electrical installations and Appliances

At the moment, the law does not specifically require testing, just that the installation and appliances are safe. However, we strongly recommend testing to protect the tenant from danger and the landlord from possible prosecution or civil action and therefore advise that electrical **circuits be checked/tested every 5 years and appliances be checked at the start of each tenancy.**

All appliances such as cookers, fires, kettles should be checked to ensure that they meet safety standards. In particular, each item should be well-maintained, complete and in working order, have user instructions and

warnings where necessary, have a mains lead in good condition (not worn, frayed or joined and properly secured at the plug and the appliance); have a correctly fitted plug of the latest type (BS 1363) with sleeved live and neutral pins (it does not have to be molded-on, it can be the re-wireable type) and be fitted with the correctly rated fuse.

## **Smoke detectors and Carbon Monoxide detectors**

As from 1<sup>st</sup> October 2015 rented properties must be fitted with at least 1 smoke detector per floor and 1 carbon monoxide detector per solid fuel or gas burning appliance.

## **Legionella Bacteria – risk assessment**

Landlords/letting agents are required to arrange for an assessment of the rental property for the risk of legionella bacteria which may be harmful to tenants' health. Principal areas of concern are cold water tanks, hot water tanks, combined tanks, heating systems, general cleanliness of the property and specific cleanliness of shower heads.

## **Tenancy deposits**

We would always recommend that a deposit be taken and legally the amount can be no more than the value of five week's rent (where the annual rent is below £50,000) A deposit gives the landlord some protection from damage to the property or cover for possible non-payment of rent. By law, all deposits must be registered with a **deposit protection scheme** which provides arbitration and negotiation services in the event of a dispute between tenant and landlord/agent at the end of a tenancy.

If we are appointed as agents for your tenancy then we can hold the deposit on your behalf in a designated Client Account and the deposit will be covered for dispute purposes by the Tenancy Deposit Scheme, the details of which are given below.

Tenancy Deposit Scheme  
PO Box 1255  
Hemel Hempstead  
Herts HP1 9GN  
Phone 0845 226 7837

[www.tenancydepositscheme.com](http://www.tenancydepositscheme.com)

If we are instructed by you to hold the deposit, we shall do so under the terms of the Tenancy Deposit Scheme as Stakeholder and no interest will be payable on the deposit. Our Clients account is protected by the NALS Client Money Protection Scheme.

## **Procedures at the end of the tenancy covered by the Tenancy Deposit Scheme**

Following our final inspection of your property at the end of the tenancy, if there is no dispute we will keep any amounts agreed as deductions where expenditure has been incurred on behalf of the Landlord, or repay the whole or the balance of the deposit according to the conditions of the Tenancy Agreement. Payment of the deposit will be made within 10 working days of written consent from both parties. Further detail of procedures as follows:

If, after 10 working days following notification of a dispute to the Agent or Landlord and reasonable attempts have been made in that time to resolve any differences of opinion, there remains an unresolved dispute between the Landlord and the Tenant over the allocation of the Deposit it will be submitted to the Independent Case Examiner (ICE) for adjudication. All parties agree to cooperate with any adjudication.

The statutory rights of either the Landlord or the Tenant(s) to take legal action against the other party remain unaffected.

It is not compulsory for the parties to refer the dispute to the ICE for adjudication. The parties may, if either party chooses to do so seek the decision of the Court. However, this process may take longer and may incur further costs. Judges may, because it is a condition of the Tenancy Agreement signed by both parties, refer the dispute back to the ICE for adjudication. If the parties do agree that the dispute should be resolved by the ICE, they must accept the decision of the ICE as final and binding.

If there is a dispute we must remit to The Dispute Service Ltd the full deposit, less any amounts already agreed by the parties and paid over to them. This must be done within 10 working days of being told that a dispute has been registered whether or not the tenant or the landlord wants to contest it. Failure to do so will not delay the adjudication but The Dispute Service Ltd will take appropriate action to recover the deposit and discipline us.

The Agent/Landlord must co-operate with the ICE in the adjudication of the dispute and follow any recommendations concerning the method of the resolution of the dispute.

The Agent shall be entitled to deduct from any deposit that may be paid by a Tenant of the Landlord's Property any fees or other monies properly due and payable by the said Tenant to the Agent.

### **Dealing with disputes from Non-Assured Shorthold Tenancies:**

The Independent Case Examiner (ICE) may agree to resolve any disputes over the allocation of these deposits, by arrangement. If he does:

- The ICE will propose what he considers the most effective method of resolving the dispute.
- Landlord, tenant and agent must consent in writing to his proposal.
- Disputes will be subject to a fee of £500 + VAT, 10% of the deposit + VAT, whichever is the greater.
- The resolution process will not start until the parties' consent, the disputed amount and the fee have been submitted.

### **Deposit protection for non-managed tenancies:**

Where we have undertaken a "Tenant Finder" service for you and we have not agreed to hold the deposit on your behalf it will be necessary for you, as Landlord, to register the deposit yourself with a deposit scheme within 30 days of the start of the tenancy.

**If you fail to do so the Tenant can take legal action against you in the County Court.** There are substantial penalties for failing to register a tenant's deposit within the specified time limit.

In addition if a landlord fails to meet the initial requirement to protect the deposit within 30 days of receiving the deposit, no Section 21 Notice to end a tenancy can be served until either the landlord returns the deposit to the tenant in full or with such deductions as the tenant agrees; or if the tenant has taken proceedings against the landlord for non-protection and those proceedings have been concluded, withdrawn or settled (for example, by the court awarding damages being the return of the deposit or a fine not more than 3 times the

value of the deposit.) In addition, if a landlord fails to serve **prescribed information in respect of a tenancy deposit**, he cannot serve a section 21 Notice to end a tenancy. Tenants can make an application to a County Court for a penalty award even where the tenancy has ended and can do so for up to six years.

As you can see it is a complicated area and we, the Agent, have no liability for any loss suffered if you are managing your own tenancy and, as landlord, fail to comply in this respect.

### **Holding Deposit**

An applicant will be asked to pay a holding deposit of 1 week's rent whilst checks and references are gathered to assess the applicant's suitability for the tenancy. Where the applicant is approved for the tenancy, this holding deposit will be either returned to the applicant or used towards their first month's rent. Where the Holding Deposit is withheld for a legally permissible reason it will be retained by the letting agent.

## **Other Issues**

### **Council Tax and Services**

All outgoings such as Council Tax, utilities (gas, electric, water, oil), television licence etc., are the responsibility of the tenant. We at Red Deer Country Lettings will notify the utility providers accordingly at the start of the tenancy.

### **Leasehold Properties**

For leasehold properties, ground rents and maintenance fees for the communal areas remain the responsibility of the landlord. In addition, you may need to obtain permission from the freeholder for the granting of a tenancy and a fee may be payable to the freeholder under the terms of your lease.

### **Properties with mortgages**

Where the landlord holds a mortgage on the property to be let out, the landlord should contact their mortgage company for approval prior to letting. Please be aware that different terms and interest rates may apply when changing from an owner occupier mortgage.



## Residential Property Letting - Landlord Authority

to Red Deer Country Lettings Ltd, 3 Fore Street, Williton TA4 4PX

Rental Property Address: .....

Landlord's Name: .....

Landlord's Address: .....

.....Landlord's Contact Tel No.....

I/We hereby agree to Red Deer Country Lettings Ltd acting as our letting agent for the above property and confirm that we have received a copy of their Terms of Business as at the date below.

Please act until further notice as follows on my/our behalf.

**Either** (please delete as applicable)

**Full Managing Agent**

**OR**

**Tenant Finder Service**

**OR**

**Rent Collection Service**

I/We agree that Red Deer Country Lettings Ltd may deduct their agency fees from the tenants' rental payments before forwarding to my/our bank account the balance less the deposit protection premium and any contractors' charges for work undertaken at my/our rental property.

I/We agree to notify our mortgage lender and insurance company of the tenancy agreement.

Signed.....

Date.....

**NB Incorrect Information:** The Landlord should warrant that all the information he has provided to the Agent is correct to the best of his knowledge and belief. In the event that the Landlord provides incorrect information to the Agent which causes the Agent to suffer loss or causes legal proceedings to be taken the landlord agrees to reimburse and compensate the Agent for all losses suffered.

## Notice of the Right to Cancel

The consumer has a right to cancel the contract if he wishes and this right can be exercised by delivering or sending (including by email) a cancellation notice to the business mentioned below at any time within the period of 14 days of receiving this notice of the right to cancel. (Cancellation of Contracts Made in Consumer's Home or Place of Work etc Regs 2008).

## Privacy Notice

If we manage a property on your behalf we will ask you for details to enable us to carry out certain legal obligations such as checking your legal ownership of the rental property and your identity in order to meet UK money laundering regulations. We will also keep records of your contact details and bank account to enable us to communicate with you and administer payments.

When we stop providing property management services to you, whether regular or occasional, because you have cancelled the contract we will retain your details for seven years or sooner if you withdraw consent for us to hold your details.

You have a right to view the personal data that Red Deer Country Ltd holds and as such, we will respond quickly to requests to view data. Should you notify us that data held about you is inaccurate, we will take action to rectify it.

All requests for information relating to your personal data should be made to Geoff Metcalf, [geoff@reddeercountry.co.uk](mailto:geoff@reddeercountry.co.uk), Telephone: 01984 634579

Would you like Red Deer Country Ltd to contact you with details of any property investment opportunities that may arise? Yes  No