

## Advice on Letting Services

- We will consider a number of factors before advising you on the most suitable service to fit your personal circumstances.
- Your level of experience as a Landlord and the number of properties in your current portfolio.
- Whether you live locally and your capacity (and willingness) to get involved in day-to-day tenancy matters.
- Your reliance on rental income to meet other commitments and your attitude to risk.
- The age of the property and its condition and the type of Tenants it is most likely to attract.

## Tenant Finding Service

Carnabys offer this service for those who would like their property to be extensively marketed; accomplish an early letting and achieve the best possible rent. Our tenant finding service also provides the support of an independent credit reference of the Tenant and legally correct documentation.

Self-management will require you to invest a significant amount of time to managing tenancy matters, dependant upon the size of your portfolio. When selecting this option it is advisable that you live close to the property and be confident of dealing with all matters, which may arise.



- Under this option Carnabys will:
- Advise on the estimated potential rental income, the type of Tenant that would be most suitable, how to prepare the property for letting and your responsibilities of being a Landlord.
- Broadly market the property to promote interest, using the Internet and local newspaper advertising. We will also erect a "To Let" board outside the property (subject to local planning and freeholder restrictions).
- Interview prospective Tenants, accompany viewings of the property and negotiate offers on your behalf to secure the best possible terms.
- Ensure that full identity checks are carried out on each prospective Tenant and arrange a credit reference through an independent company, which includes a confidential written report on their suitability that we will be able disclose to you.

- For a prospective Tenant who has no adverse credit history but who is financially weak for the rental commitment then we can arrange for a guarantor who will also be credit checked.
- Provide advice on ensuring the tenancy will be compliant with Gas, Electrical and Fire and Furnishing Safety Regulations.
- Prepare a Tenancy Agreement and corresponding legal notices to protect your right to regain possession of the property.
- Meet your obligation to provide a UK address for the serving of notices.
- Collect a Security Deposit from the Tenant against an Inventory of the property, its contents and its condition and lodge this with the Deposit Protection Scheme, if required.
- Collect the first month's rent and arrange for the Tenant to sign a standing order mandate in your favour for the second and subsequent month's rental payments until the end of the tenancy term.
- Provide you with a statement detailing the initial monies paid by the Tenant less our commission and fees, any agreed outgoings, taxes (if applicable) and VAT. Supply a detailed statement of account and VAT receipt and a copy of the Inventory, if we have arranged this.
- Forward to you the signed rent standing order mandate, signed Tenancy Agreement and legal notices for your safekeeping.
- Write to the Tenant two months prior to the end of the tenancy term to enquire if they wish to renew. Convey their response to you, offer advice on the current market conditions and receive your instructions.
- If you and the Tenant wish to renew, negotiate terms on your behalf, prepare and arrange for the Tenant to sign a new Tenancy Agreement and new rental standing order mandate.
- Collect the first month's rent for the new tenancy term and provide you with a statement.
- If the tenancy is not to be renewed we will serve notice on the Tenant and commence the remarketing of the property at a rental figure in line with the current market trend, unless instructed otherwise by you in writing.

## **Rent Collection Service**

The Rent Collection Service is appropriate if you have financial commitments and are dependent upon receiving regular rental income.

Insurance to protect against non-payment of rent and the legal costs of court proceedings to recover possession is available as an option with this service. Included are all the Tenant Finding Services as previously detailed above.

Carnabys will also:

- Provide you with a statement for the rent received less our commission and fees, any agreed outgoings, taxes (if applicable) and VAT. Forward funds to your account within 4 banking days of receipt (please be aware that it can take between 3 and 5 days for funds to clear through the bank system).
- Demand payment in cases of non-receipt of rent and advise you. Visit the property if rent is not received.
- Submit claims to the insurer where a rent guarantee has been arranged.
- In all insured cases co-operate with the insurer's solicitors, including our attendance at the court proceedings.
- In all non-insured cases, we will recommend solicitors for you to appoint, at your own cost, to serve notice and take appropriate court action.
- Diarise the annual gas safety inspection, appoint a suitably qualified contractor and arrange access for the inspection to be carried out at your cost.
- If applicable, diarise the annual electrical safety inspection of appliances, appoint a suitably qualified contractor and arrange access for the inspection to be carried out at your cost.
- Organise and carry out a check out inspection at the end of the tenancy, at your cost and advise you on dealing with matters relating to damage and unfair wear and tear.

## Fully Managed Service

Carnabys offer a Fully Managed Service which is suitable if you:

- live out of the area
- have a portfolio of several properties
- do not have sufficient time to commit to day-to-day management of tenancy matters.



Included are all of the services under both Tenant Finding and Rent Collection.

Additionally, Carnabys will:

- At the commencement and termination of tenancies notify the utility companies supplying the property of meter readings and advise them and the Council Tax Authority of the change in occupier and the billing address for closing statements.
- Arrange for a professional independent Inventory to be prepared, at a cost to yourself, which will be checked at the end of each tenancy and updated for each re-letting.

- To inspect the property internally on a regular basis whilst the Tenant remains in occupation. We will report to you in writing and make recommendations on our findings.
- Deal with your Tenant's requests for property maintenance and arrange for contractors to gain access to carry out work. Check the contractor's invoice against the quotation and pay.
- At the end of a tenancy deal with any matters relating to unfair wear and tear, submit any claims on your behalf to the Deposit Protection Scheme and then supervise any remedial works that are required.
- We will arrange for the return of the balance of the Security Deposit to the Tenant and account to them for any deductions.

Management of empty property is not included, except by special arrangement.

## **Inventory**

We strongly advise that an independent Inventory is arranged by us, at your cost, particularly when we are providing a Fully Managed service.

The legal process places a heavy burden of proof on you when claiming against the Tenant for unfair wear and tear. Therefore, our recommended best practice is:

- To have an Inventory drawn up by an independent specialist.
- Back the Inventory up with photographic evidence.
- The same specialist who draws up the Inventory should conduct the check out inspection.

Testing of the electrical appliances, the heating and plumbing system is not part of the Inventory process and an Inventory cannot itemise the miscellaneous content of garages, outbuildings and attics.

## **Investment and Management Service**

If you wish to develop a portfolio of residential property investments our Estate Agency service can advise you on finding suitable local properties to buy.

Carnabys will:

- Advise on the type of property, which we believe is suitable for Tenants.
- Assist you in reviewing details of properties to assess the estimated potential rental income and the potential return on your investment.
- Advise on works required to bring the property into optimum letting condition and to arrange for these works to be carried out at your cost.

## **Tenancy Agreement**

Our Tenancy Agreement is written in plain English to encourage the Tenant to read and understand their commitment. A specimen copy of our Tenancy Agreement is available to our Landlord clients upon request.

Tenancy Agreements are drawn up on a “subject to contract” basis, this means that if the Tenant withdraws before the Tenancy Agreement is signed then you cannot claim against them for lost rent or other costs.

We renew tenancies by granting further fixed terms – the advantage to you is that future rental income is secured and that your Tenant must give one month’s clear notice to terminate – providing us with lead time to market the property and secure another Tenant (subject to market conditions).

## **Delegated Authority**

We will endeavour to forward the Tenancy Agreement for your approval of the terms before the tenancy proceeds.

In practice, pre-tenancy events move quickly and by signing this Agency Agreement you are consenting to our delegated authority to:

- Approve offers that are in-line with your instructions.
- Sign Tenancy Agreements and notices on your behalf.
- Instruct contractors to carry out work in your name and at your cost.

## **Mortgage Lender**

You will need to inform any Mortgage Lender that the property is to be tenanted.

You should carry out regular reviews of your financing arrangements to maximise the return from your property investments.

## **Insurance**

You are responsible for insuring the property to its full re-building cost. You must advise us of any endorsements or restrictions that the insurer imposes.

You are also responsible for taking out adequate contents insurance cover for loss or damage.

We can recommend an Insurance Broker, if required and liaise with them as necessary, should this be applicable.

We cannot be held in any way liable for your uninsured losses.

## Maintenance

You are responsible for the maintenance of the property which includes ensuring good repair of the drains, gutters, down pipes and boundary fencing (where allocated), the heating system and all fixtures and fittings

All appliances supplied by you at the property must be kept in good repair and working order at your cost (damage or abuse by the tenant excepted).



We make every effort to select contractors, who we believe to be competent and whose prices represent good value, but we are unable to provide a personal guarantee as to the standard of their workmanship. You retain the right to pursue claims against appointed contractors for sub-standard work.

For any single job, costing less than the Delegated Authority Limit set out in our Letting Authority, we shall proceed without a quotation.

For any single job, costing more than the Delegated Authority Limited we will arrange for a quotation and seek a decision from you.

We reserve the right to exceed the Delegated Authority Limit and take any reasonable action at your cost in an emergency or to meet a statutory obligation or where you do not respond to our requests for a decision within seven days.

If you specify a contractor to be used then we will need to see confirmation of that Contractor:

- Tax status
- Public Liability Insurance cover
- Membership of relevant professional bodies

If we are unable to make contact with your contractor then we reserve the right to use our own contractors.

## Keys and Alarms

We will require a minimum of two full sets of door keys (window keys should be left at the property and will be recorded on the Inventory) or three sets if the tenancy is Fully Managed. We will also require the alarm code and contact details for the alarm servicing company (if any).

## **Gas and Electrical Safety**

The law requires that an annual safety inspection of the central heating system and any gas appliances or gas supply at the property is carried out. We also recommend an inspection of all electrical appliances and the electrical supply.

If you are arranging these inspections we will require a copy for our records before we can allow a tenancy to proceed.

## **Fire and Furnishing**

The law requires that all furnishings left at the property meet safety standards for ignitability and that foam upholstery will not burn to produce toxic fumes. Further advice is available from us.

By signing this Agency Agreement you are confirming that you will:

- Comply with existing laws and any regulations that may take force during the period of this Agency Agreement.
- Remove all non-compliant furnishings before a tenancy commences.

## **Smoke Detectors**

A smoke detector must be fitted on each floor within the property.

## **House in Multiple Occupation (HMO)**

If the Local Authority declares that your property is an HMO then by signing this Agency Agreement you are confirming that you will carry out all of the works that the Local Authority may require of you.

## **Utility Supplies**

We may choose the energy and water companies that supply services to the property, in order to maintain control over billing arrangements.

## **Telecommunications, Internet Services, Satellite and Cable TV**

These suppliers refuse to deal with third parties such as managing Agents. Therefore, you should terminate all service contracts on your departure but retain a telephone line in the property for the Tenant to take over at their option and cost. Telephone numbers are not the property of the subscriber and no guarantees can be made that a particular number can be retained.

## **Apartments and Flats**

You must inform the Managing Agent of the block of your forwarding address and make arrangements to pay ground rent of service charges direct. Any restrictive covenants in your lease (for example: no pets) must be disclosed to us.

## **Mail Re-Direction**

You should arrange a mail re-direction service and inform all relevant parties or your forwarding address; as neither the Tenants nor we can take responsibility for forwarding mail.

## **Council Tax**

Liability for Council Tax will rest with the Tenant unless the property is vacant, or is let as holiday accommodation, or is let as a house in multiple occupation (HMO) in which case the liability for Council Tax will rest with you.

## **Non Resident Landlords**

If you are Non Resident in the UK, then your UK based Managing Agent is liable to pay tax on all of the rental income that they collect on your behalf. In order to avoid us withholding tax at source you must obtain an exemption certificate from the Inland Revenue. Please visit [www.hmrc.gov.uk](http://www.hmrc.gov.uk) for further information. Until we receive an exemption certificate we must withhold tax and so we recommend that you apply to the Inland Revenue sufficiently in advance of your leaving date.

## **Sale of Property**

In the event that we introduce a party (being a person or body corporate) who subsequently purchases the property, whether before or after entering into a Tenancy Agreement, then you will be liable to pay us commission on completion of the sale at the rate of 1.5% plus VAT of the sale price.

## **Indemnity**

You agree to indemnify us against all costs, expenses or liabilities, which we incur on your behalf or are imposed on us when carrying out duties under the Agency Agreement. You agree to indemnify us against any expenses or penalties that we suffer as a result of your refusal to comply with statutory regulations or official notices.

## **General Authority**

By signing this Agency Agreement you are confirming that you are the legal owner of the property / properties and that you have the right to let the property / properties and have permission to do so from the mortgage lender, freeholder or superior Landlord (as applicable). You agree to provide us with written evidence of these permissions immediately upon our request.

You are agreeing to authorise us to act as your agent to carry out the duties set out in this Agency Agreement.

You are authorising us to take and hold monies and Security Deposits on your behalf.

## **Money Laundering**

You agree that upon our request you will provide evidence of your identity and residency.

We shall be required to disclose to official authorities any information that they may lawfully request relating to financial transactions that we engage in on your behalf.

## **Instructions, Contact Details and Communication**



You agree to confirm to us in writing all of your instructions with regards to:

- Terminating this Agency Agreement.
- Terminating or varying the terms of the Tenancy Agreement created under this Agency Agreement.
- Approving quotations for maintenance jobs in excess of our authority limit.
- Changes to your bank account details.
- Notifying us in writing of legal proceedings, bankruptcy or insolvency orders made against you.
- Keeping us informed of any change in your contact details.

Our preferred method of communicating with you will be by email, unless agreed otherwise.

## **Value Added Tax (VAT)**

All of our commission and fees are quoted exclusive of VAT and will be subject to VAT at the prevailing rate.

## **Sole Agency**

Unless you instruct us otherwise we will assume that this is a Sole Agency Agreement. If we are instructed on a Multiple Agency basis then we reserve the right to charge a minimum fee, whether we are successful in letting the property or not.

## **Terminating this Agency Agreement**

In respect of an active tenancy:

- You may terminate this Agency Agreement by giving one month's written notice.
- Where you intend to continue letting to a Tenant who we introduced then you will be liable to pay us a placement fee equivalent to six months' commission.
- We may terminate this Agency agreement by giving you 14 days written notice if you have broken the terms, or we may terminate at the end of the tenancy.

In respect of a tenancy which has been agreed "subject to contract":

- You may withdraw if you agree to pay our reasonable expenses incurred in marketing the property and processing the tenancy application.

## **Terminating a Tenancy Agreement**

You must provide a minimum of two months' written notice to terminate a Tenancy and the notice cannot take effect earlier than the end of the fixed term of the Tenancy.

We cannot guarantee that you will obtain possession of the property on the date you want it. This is because a Tenant cannot be forced to leave a property unless by a Court Order.

## **Access during the Tenancy**

You have no right of immediate access to the property whilst a tenancy is in force (unless it is an emergency). You must arrange an appointment with the Tenant, who has the right to refuse access unless you have obtained a Court Order.

## **Acceptance and Variation**

The terms and conditions of this Agency Agreement may be varied by us giving to you one month's written notice.

## **Transfer of Obligations**

We may transfer our obligations under this agreement and our right to receive fees and commissions to a third party who is approved by Carnabys and who will honour all of our obligations with you.

## **Data Protection**

Carnabys will protect your data and is registered under the Data Protection Act.

## **Legal Jurisdiction**

These terms and conditions shall be governed, construed and enforced in accordance with the laws governing England.

## **Regulation**

We are full members of the Property Ombudsmen Scheme and abide by the code of practice for Estate Agents.