



## ***Morris Property Management Services LTD***

### **LANDLORD-AGENT AGREEMENT FOR RESIDENTIAL LETTING AND PROPERTY MANAGEMENT**

This agreement is made between the Landlord of the Property and Morris Property Management Services LTD (MPMS), who agree to act for the Landlord and are hereinafter referred to as “the Agency”. The purpose of this document is to set out clearly & concisely the extent of the letting and management service offered and the scale of fees charged.



Thank you for instructing MPMS to act on your behalf in marketing your property for rental. Accordingly, we will confirm our terms and conditions as detailed on the following pages. Please sign where indicated thereby accepting these terms, and return to MPMS, retaining a copy for your records.

MPMS provides a property letting and management service to landlords wishing to let out their property. The standard fee for the service is taken as a Percentage of the gross rents collected. A setup fee is also charged at the start of the tenancy for taking the references and arranging the tenancy. We offer a let only service and a full management service. Details of these services and our Scale of Fees can be found at the end of this agreement.

## **Terms of Business:**

### **1) General Authority**

The Landlord confirms that he / she is the sole or joint owner of the Property and has the right to rent out the Property under the terms of the mortgage or head lease. Where necessary, the Landlord confirms that permission to let the Property has been obtained from the mortgagee or relevant party. The Landlord authorises the Agency to carry out the various usual duties of property management including those listed in the descriptions of the Service Levels at the end of this agreement. The Landlord also agrees that the Agency may take and hold deposits and comply with the requirements of any deposit protection scheme that may apply to the deposit. It is declared that the Agency may earn and retain any commissions on insurance policies issued, works carried out and interest on deposits held.

### **2) Maintenance**

2.1) The Landlord agrees to provide the Property in a good condition ready to let, and that the Property and all soft furnishings conform to the current fire & safety regulations.

2.2) The Landlord agrees to make the Agency aware of any ongoing maintenance problems. Subject to a retained maximum expenditure limit of £200.00, on any single item or repair, and any other requirements or limits specified by the Landlord, the Agency will administer any miscellaneous maintenance work that needs to be carried out on the Property. 'Retained maximum expenditure limit' means that the Agency has authority to spend up to this amount (or other amount as individually agreed) on reasonable improvements or repairs in any single monthly accounting period without prior reference to the Landlord.

2.3) For expenditure in excess of the agreed limits, the Agency would normally request authorisation in advance. It is agreed that in an emergency or for reasons of contractual or legal necessity the Agency may reasonably exceed the limits specified, where reasonable endeavours have been made to contact the Landlord.

2.4) The Agency endeavours to select competent tradesmen at reasonable prices but is unable to personally guarantee the standard of workmanship or any liability arising thereof, although the Landlord retains the right to pursue any claim against appointed tradesmen for substandard work.

2.5) By law, it is necessary to carry out an annual inspection and service for the central heating and any gas appliances. The Agency will carry this out on the Landlord's behalf and administer the necessary inspection and maintenance records. The costs involved will be debited to the Landlord's account.

2.6) If the property is vacant when adverse weather conditions occur, there may be frost damage to water or heating systems and sanitary appliances. The Landlord is strongly recommended to take all necessary action to protect the property from such risks, or to instruct the Agency to put in hand any necessary works on the Landlord's behalf. The Agency accepts no responsibility or liability for damage caused in these conditions.

### 3) Overseas Residents

When letting property and collecting rents for landlords living overseas (non-UK resident landlords), the Agency is obliged by the Taxes Management Act (TMA) 1970 and the Taxation of Income from Land (Non-Residents) Regulations 1995 to deduct monies (at the basic tax rate) to cover any tax liability, unless the Landlord has been authorised in writing by HM Revenue & Customs to receive rent gross. A copy of the NRL certificate must be provided to the Agency. In this situation, the Agency also requests that the Landlord appoints an accountant or reserves the Agency the right to employ a suitably qualified accountant in order to manage correspondence with HMRC. A standard annual charge will be made for this work and administration expenses may be charged by the Agency for further work requested by the Landlord, the Landlord's accountant or the Inland Revenue in connection with such tax liabilities. In many cases, a Landlord's tax liability is minimal when all allowable costs are deducted.

### 4) 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 let as a house in multiple occupation (HMO) responsibility for payment of council tax then rests with the owner of the property.

### 5) Services

The Agency will take meter readings whenever possible at each change of occupation in the Property and inform the service companies (electricity, gas and water) of these readings and change of occupation. In many cases, the service companies (e.g. BT) require that the new occupiers formally request and authorise the service and it is not possible for the Agency to do this on the tenant's or Landlord's behalf. Regarding mail, Landlords should take care to inform all parties (e.g. Banks, clubs, societies etc.) of their new address; it is not always possible to rely on tenants to forward mail.

### 6) Inventory

Should it be necessary, the Agency will prepare an inventory for the Property and a charge will be made for this depending on the size of the inventory. The standard inventory will include all removable items in the Property (except those of negligible value) plus carpets, curtains, mirrors, sanitary ware and other articles that, in the opinion of the Agency, need regular checking. Landlords should not leave any articles of exceptional value in the property without prior arrangement with the Agency. The standard inventory service does not include a full schedule of condition (condition, colour & decoration of ceilings, walls, doors & fittings etc.) or photography; this can be prepared at the Landlord's request and will incur further charges. The Agency cannot accept any liability for omissions or errors on the inventory. The Landlord can provide the Agency with an inventory if preferred.

### 7) Tenancy Agreement

All of our service levels include the preparation of a letting agreement in the Agency's standard form(s). Should the Landlord, his advisors or mortgagees require amendment of the contract or require the Agency to enter into further work or correspondence, a fee for this extra work may be requested. It is agreed that the Agency will sign the tenancy agreement(s) on behalf of the Landlord.

## 8) Inspections

Under our Fully Managed Service, the Agency will normally carry out periodic inspections. It is not the intention to check every item of the inventory at this stage; the inspection is concerned with verifying the good order of the tenancy (i.e. property being used in a 'tenant-like' manner) and the general condition of the Property. This would normally include inspecting the main items (carpets, walls, cooker, main living areas etc). Where these were felt to be unsatisfactory, a more detailed inspection would generally be made. Following the departure of tenants, a final inspection of the Property is carried out by the Agency. Testing of electrical appliances, heating and plumbing is not feasible during this inspection; a qualified contractor will be appointed for this purpose should it be required by the Landlord. Any deficiencies or dilapidations which fall beyond the Tenant's responsibility would normally be submitted to the Landlord for approval, together with any costs. It is agreed that the Agency's judgement will be final in this matter.

## 9) Holding Fee

A holding fee is generally taken from a tenant applying to rent a property. The purpose of this fee is to verify the tenant's serious intent to proceed, and to protect the Agency against any administrative expenses (taking out references, conducting viewings) 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 tenant deciding to withdraw, or references proving unsuitable although early acceptance of rent from the applicant would not be advisable until satisfactory references have been received. Landlords should notify the Agency where they wish a larger security fee or deposit to be carried to protect against loss of rents. If the tenancy proceeds, the holding deposit will be used towards the deposit.

## 10) Tenancy Deposits

10.1) Upon signing the tenancy agreement, the Agency will take a dilapidations deposit from the tenant(s) in addition to any rents due. The purpose of the dilapidations deposit is to protect the Landlord against loss of rent or damage to the Property during the tenancy itself. These deposits will be kept in a separate secure client account ready for refunding (less any charges due) at the end of the tenancy.

10.2) In accordance with Tenancy Deposit Legislation, the deposit will be administered in the appropriate manner. The Agency is a member of The Deposit Protection Service, with whom any deposits collected by the Agency will be registered and protected within 14 days. Should the Landlord wish to protect the deposit, the Agency will require proof that the Landlord is a member of one of the government approved deposit protection schemes.

10.3) The Agency will attempt, by negotiation, to resolve any deposit disputes between the Landlord and the Tenant. Where the deposit is subject to statutory tenancy deposit protection, and a dispute cannot be resolved between the parties, it will be necessary to submit the claim to the tenancy deposit administrators for adjudication under an Alternative Dispute Resolution (ADR) process. There will be an additional fee charged for administering the dispute.

10.4) The Landlord authorises the Agency to make appropriate deductions from the rental income in the last two months of the tenancy to provide a maintenance fund from which any cleaning, repair or other costs can be disbursed at the end of the tenancy.

## 11) Rent Collection

The Agency will produce a Landlord statement showing a clear breakdown of all rental income received minus any items of expenditure, paying over the net balance to the Landlord by BACS. Landlord statements will be produced on 28<sup>th</sup> of every month.

## 12) Instructions

It is agreed that any instructions from the Landlord to the Agency regarding termination, proceedings, major repairs, payment details or other significant details regarding the letting be confirmed to the agency in writing.

## 13) Termination

This agreement may be terminated by either party by way of two months' written notice. A placement fee equivalent to one month's rent will be payable where the Landlord intends to continue letting to tenants introduced by the Agency after the termination of this agreement. In the event that the Landlord withdraws from this agreement prior to the Agency obtaining a tenant, the Landlord will be liable to pay advertising and inventory costs incurred by the Agency or £150 exl VAT (whichever is the greater sum), except in the circumstances where the Agency has found a suitable tenant who has not yet taken occupation, in which case the Landlord will be charged a fee equivalent to one month's rent. If the landlord wishes to terminate the Agency's management on any individual property, the Agency must be given one month's notice. Failure to provide such notice will result in a fee being charged. The fee will be the equivalent of the management charge on a full month's rent, regardless of whether the Property is let or vacant, and will be in addition to the termination fee stated above. The Landlord shall provide the Agency 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 agreement for the term agreed. Details of any tenancy agreement being entered into will be communicated onto the Landlord as soon as possible. Landlords should be aware that the legal minimum notice period to tenants under assured tenancies is two months (should the contract allow for early termination) and this needs to be given even in the case of a fixed term tenancy which is due to expire.

## 14) Safety Regulations

**Warning: You should read and understand these obligations before signing this agreement. The letting of property is now closely regulated with respect to consumer safety.**

The law makes particular demands regarding the safety, servicing and inspection of the gas and electric appliances and installations within a property, and with respect to the safety of furniture and soft furnishings that are also provided. The following regulations apply:

- Furniture & Furnishings (Fire)(Safety) Regulations 1988 (amended 1989 and 1993)
- General Product Safety Regulations 1994
- Gas Safety (Installation and Use) Regulations 1998
- Electrical Equipment (Safety) Regulations 1994
- Plugs & Sockets (Safety) Regulations 1994

The Landlord confirms that they are aware of these obligations and that the Agency has provided sufficient information (via explanatory leaflets available on request) to assist with compliance. It is agreed that the Landlord shall ensure that the Property is made available for letting in a safe condition and in compliance with above regulations. The Landlord agrees to indemnify the Agency against any expenses or penalties that may be suffered as a result of non-compliance of the Property to fire and appliance safety standards.

## 15) Sale of Property

In the event of a party introduced by the Agency (or any person or body corporate associated with that party) subsequently purchasing the Property, whether before or after entering into a Tenancy Agreement, commission shall be payable by the Landlord to the Agency on completion

of the sale at the rate of 1% of the eventual sale price, plus VAT. Minimum fee of £1,000.00 applies.

## **16) Insurance**

The Landlord shall be responsible for the Property being adequately insured and that the insurance policy covers the situation where the Property is let, whether furnished or unfurnished. The Agency would normally be responsible for the administration of any claims arising during the period of management, where the property is being managed under our Gold management package, and would be subject to an additional charge. We can offer competitive rates for all aspects of insurance cover.

## **17) Rent Guarantee & Legal Protection**

The Agency shall not be held responsible for any unpaid rent by the Tenant(s). Any Rent Guarantee & Legal Protection cover purchased will be the responsibility of the Landlord, and claims will be dealt with directly through the insurance provider.

## **18) Legal Proceedings**

Any delays of payment or other defaults will be acted on by the Agency in the first instance. Where the Agency has been unsuccessful in these initial actions, or there are significant rent arrears or breaches of the tenancy agreement, the Landlord will be advised accordingly. A solicitor would then be appointed and instructed by the Landlord (except where the Agency is unable to contact the Landlord, in which case the Agency is authorised to instruct a solicitor on the Landlord's behalf). The Landlord is responsible for payment of all legal fees and any related costs.

## **19) Housing Benefit**

The Landlord undertakes to reimburse the Agency for any claims arising from overpayment which may be made by the local authority in respect of housing benefit, or other benefit scheme, paid to or on behalf of the tenant(s) as rent. This undertaking shall remain in force throughout the tenancy and for up to six years thereafter, whether or not the Agency continues to be engaged to let or manage the property under this agreement.

## **20) Services to Tenants**

The Agency may offer to arrange insurance, banking and other financial services, mortgages, estate agency and other related services for the prospective and current tenants and shall be entitled to receive commission in respect of any such services arranged. The Landlord will not be entitled to any share of the commissions or any reduction in fees.

## **21) Key Holding**

Tenants working full time are not usually available to be at the property during the day to provide access to contractors when there is a problem. The Agency will require a set of keys which will be securely held by the Agency and made available to carefully vetted contractors when required. This will also facilitate property inspections and allow the Agency to gain access to the Property if there is an emergency and the tenant is not available.

## **22) Clients Money**

All monies are held in MPMS designated clients bank account, for which no interest will be paid.

### 23) Data Protection

All information concerning Landlords or Tenants details are confidential, and the information will be held by the Agency strictly in accordance with the provisions of the Data Protection Act and any amendments thereto.

### 24) VAT

VAT will always be calculated on all our fees at the prevailing rate (currently 20%).

### 25) Variation

MPMS may alter or amend these Terms and Conditions at any time by way of one month's written notice. They will be binding on all Clients at the time of notification, except for properties fully managed package, where the alterations will be binding at the end of the current tenancy.

### 26) Service Selection and Commission rates

Service	Fee agreed
Tenant source	£ _____ +vat
Let Only	£ _____ +vat
Full Managed	£ _____ +vat set up _____ % monthly

All fee's become payable once a tenant has been found for the property, if you have selected the fully managed package, the set up cost and monthly commission rate will be deducted from the rent before the remainder of the balance is transferred to you. If you have selected the Tenant source or Let only service you must pay the fee's agreed into Morris Property before we can release any information or sign a tenant up.

Agent Name

Agent Signature

Date

dd/mm/yyyy

Landlord Name

Landlord Signature

Date

dd/mm/yyyy

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**26) Service Selection and Commission rates**

Service	Fee agreed
Tenant source	£ _____ +vat
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**27) Signature**

**The terms of the Agreement set out in this document will constitute a binding legal contract. If you are unsure of your obligations under this Agreement, then you are advised to seek independent legal advice before signing.**

Landlord Name

Landlord Signature

Date

Agent Name

Agent Signature

Date