

Jhoots Lettings

Terms of Business

These terms and condition are made between the Landlord of the Property (as named at the end of this Agreement) and Jhoots Lets Limited who agree to act as agent for the Landlord and are hereinafter referred to as "the Agent". The purpose of this document is to set out clearly and concisely the extent of the letting and management service offered.

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

STANDARD MANAGEMENT SERVICE Jhoots Lets Limited provides management service to owners wishing to let out their property. The standard fee for the management is taken as a percentage of the gross rents due to the period of the tenancy and a set-up fee will may be levied at the outset for advertising & marketing, taking references and arranging the tenancy.

The Standard Management Services includes:

1. Advising as to the likely rental income.
2. Advertising and generally marketing the Property
3. Interviewing prospective tenants and taking up full references including credit reference, and employer and/or previous landlord character reference. Where necessary, additional security would be requested by means of a guarantor. In the case of a Company, a full accountant's reference would be taken.
4. Preparing the tenancy agreement necessary for the Landlord to gain protection of the relevant Rent and Housing Acts, and renewing the agreement where necessary at the end of the tenancy term.
5. Taking a deposit from the tenant, dealing with this deposit under the requirements of the chosen deposit protection scheme until the end of the tenancy when the Property and contents have been checked for unfair wear and tear and handling any termination issues with the tenant and the tenancy deposit scheme provider.
6. Collecting the rent monthly and paying over to the Landlord monthly (normally sent within 10 days of collection) less any fees or expenses due or incurred for the period. Payments will be made by direct bank transfer and a detailed rent statement will be forwarded to the Landlord. Where Landlords have paid for management fees for the term in advance then monthly management fees will not be levied.
7. Arranging with service companies (principally electricity, gas & water) and local authority for Council Tax, for meter reading and advising them of the transfer of service contracts to the tenant at the beginning of each tenancy.
8. Regular inspections of the Property are carried out on a biannual basis. Responsibility for and management of empty property is not normally included, and will only be carried out by special arrangement agreed in writing between the Landlord and the Agent.
9. Co-ordination of repair or maintenance including arranging for tradesmen to attend the Property and obtaining estimates where necessary, supervising works and settling accounts from rents received.
10. Making payments on behalf of the Landlord from rents received for costs in managing the Property.
11. Carrying out a full property inspection the end of the tenancy and, if necessary, preparing and agreeing a schedule of costs relating to any damage or unfair wear and tear prior to releasing the deposit.

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 has been granted by the mortgagee. The Landlord authorises the Agent to carry out the various usual duties of property management including those listed in items 1-11 of the Standard Management Service-detailed previously. The Landlord also agrees that the Agent may take and hold deposits and comply with the requirements of any tenancy deposit scheme that may apply to that deposit. It is declared that the Agent may earn and retain commissions on insurance policies issued.

2. Liability for tenant default:

Although the aim is to take every care in managing the Property, the Agent cannot accept responsibility for non-payment of rent, damage or other default by tenants, or any associated legal costs incurred in their collection where the Agent has acted correctly in terms of this Agreement, or on the Landlord's instructions.

3. Reasonable Costs and Expenses:

The Landlord agrees to repay the Agent for any reasonable costs, expenses or liabilities incurred or imposed on the Agent provide that they were incurred on behalf of the Landlord in pursuit of the Agent's normal duties. To assist the Agent in carrying out the duties effectively, the landlord agrees to respond promptly with instructions where necessary to any correspondence or requests from the Agent.

4. Maintenance:

4.1 The lender agrees to provide the Property in good and let able condition and that the Property, beds, sofas and all other soft furnishings conform to the current fire safety regulations. The Landlord agrees to make the Agent aware of any ongoing maintenance problems. Subject to a retained maximum expenditure limit of £250.00 on any single item or repair, and any other requirements or limits specified by the Landlord the Agent will administer any miscellaneous maintenance work that needs to be carried out on the Property. Retained maximum expenditure limit means that the Agent 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.

4.2 For expenditure in excess of the agreed expenditure limits the Agent would normally request authorisation in advance, although it is agreed that in an emergency or for reasons of contractual or legal necessity where reasonable endeavours have been made to contact the Landlord, the Agent may reasonably exceed the limit specified by law, it is necessary to carry out on the Landlord's behalf and expense and administer the necessary inspection and maintenance records. The reasonable costs involved will be debited to the Landlord's account.

4.3 Where the Agent is required to co-ordinate repair and maintenance work on behalf of the Landlord, the Agent will not be responsible for any negligence, damage, or breach of contract by any contractor employed in the way.

5. OVERSEAS RESIDENTS:

When letting properties and collecting rents for non UK resident Landlords (NPL) i.e. landlords living overseas, the Agent is obliged by income and Corporation Taxes Act 1988 and the Taxation of income from Land (non residents) Regulations 1995 to deduct tax (at the basic tax rate) to cover any tax liability, unless the Landlord has been authorised in writing by HM Revenue and Customs (HMRC) to receive rent gross. In this situation, the Agent also requests that the Landlord appoints an accountant or reserves to the Agent the right to employ a suitably qualified Accountant in order to manage correspondence with the Inland Revenue. A standard annual charge will be made for this work and the Agent may charge reasonable administration expenses for further work requested by the Landlord, the Landlord's accountant or the HMRC in connection with such tax liabilities. In many cases, a Landlord's tax liability is minimal when allowable costs are deducted.

6. 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.

7. SERVICES

The Agent will take meter readings whenever possible at each change of occupation in the Property and, where necessary, 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 Agents to do this on the tenant's or Landlord's behalf. He Agent cannot be held responsible for obtaining meter reading when there is no access to meter cupboards or boxes. 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. Consideration should also be made on using a mail re-direction service whilst all parties are updating their records.

8. INVENTORY:

The deposit protection schemes established under the terms of the Housing Act 2004 require that all Landlords need to be protected by good inventory and condition reports from the outset. The Agent will prepare an inventory for the Property and a charge will be made for this depending on the size of the Property. The standard inventory will include all removable items in the Property (except those of negligible value) plus carpets, paintwork, wall coverings, curtains, mirrors, sanitary ware and other articles that, in the opinion of the Agent, need regular checking. Landlords should not leave any articles of exceptional value in the Property without prior arrangement with the Agent. The standard inventory service will include a full schedule of condition (condition, colour & decoration of ceilings, walls, doors & door fittings etc.). Evidence of condition or damage (i.e. photography) will be prepared as required, or at the Landlord's request, and will be charged accordingly.

9. TENANCY AGREEMENT:

The standard Management Service includes the preparation of a tenancy agreement in the Agent's standard (forms) and provision of a copy of this agreement to a designated advisor or building society. Should the landlord advisors or mortgagees require amendment of the contract or require the Agent enter into further work or

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Correspondence, a fee for this extra work may be requested (or you may have the tenancy agreement amended by your own advisor at your own expense).

10. NOTICES:

The Agent will, as necessary, serve the usual legal notices on the tenant(s) in order to terminate the tenancy, increase the rent, or for any other purpose that supports good management of the Property, or the timely return of the deposit at the end of the tenancy.

12. RESERVATION FEES

A reservation 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 Agent against any administrative expenses (taking out bank references, conducting viewings, re-advertising) that may be incurred should the tenant decide to withdraw the application. The reservation 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 Agent where they wish a larger security fee to be carried to protect against loss of rents, or insurance undertaken.

13. THE TENANCY DEPOSIT

The Agent is a member of The Deposit Protection Service, which is administered by:

The Deposit Protection Service
The Pavilions
Bridgwater Road
Bristol
BS99 6AA

Phone: 0844 4727 000
Web: www.depositprotection.com

If we are instructed by the Landlord to hold the Deposit, we shall do so under the terms of the Tenancy Deposit Scheme.

The Agents holds tenancy deposits as Stakeholder (if not already specified with the Tenancy Agreement).

At the end of the tenancy covered by the Tenancy Deposit Scheme;

12.1 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 with the Landlord and the Tenant. Payment of the Deposit will be within 10 working days of written consent from both parties.

12.2 If, after 10 working days* following notification of a dispute to the Agent/Member and reasonable attempts having 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 ADR (Alternative Dispute Resolution) for adjudication. All parties agree to co-operate with any adjudication.

12.3 When the amount in dispute is over £5,000 the Landlord and the Tenant will agree by signing the Tenancy Agreement to submit the dispute to formal arbitration through the engagement of an arbitrator appointed by the ADR although, with the written consent of both parties, the ADR may at his discretion accept the dispute for adjudication. The appointment of an arbitrator will incur an administration fee, to be fixed by the Board of the DPS from time to time, shared equally between the Landlord and the Tenant. The liability for any subsequent costs will be dependent upon the award made by the arbitrator.

12.4 The statutory rights of either you the Landlord or the Tenants(s) to take legal action against the other party remain unaffected *These time scales can be changed by agreement with the tenant in individual cases or by the contact used as standard by the agent.

12.5 It is not compulsory for the parties to refer the dispute to the ADR 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. Because it is a condition of the Tenancy Agreement signed by both parties, judges may refer the dispute back to the ADR for adjudication. If the parties do agree that the dispute should be resolved by the ADR, they must accept the decision of the ADR as final and binding.

12.6 If there is a dispute we must remit to the Deposit Protection Service 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 you or we want to contest it. Failure to do so will not

delay the adjudication but Deposit Protection Service will take appropriate action to recover the deposit and discipline me/us.

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

12.7 The Landlord warrants 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.

12.8 If the Landlord decide(s) to hold the Deposit, we will transfer it to you within 5 days of receiving it. The Landlord must then register it with another Tenancy Deposit Protection Scheme within a further 9 days of the Tenancy Deposit Protection Scheme within a further 9 days if the Tenancy is an Assured Shorthold Tenancy. If you fail to do so the Tenant can take legal action against you in the County Court. The Court will make an order stating that you must pay the Deposit back to the Tenant or lodge it with the custodial scheme which is known as the Deposit Protection Service. In addition a further order will be made requiring you to pay compensation to the Tenant of an amount equal to three times the Deposit. You will be unable to serve a Section 21 Notice on your Tenant until compliance with the above conditions and the Court will not grant you a possession order. We have liability for any loss suffered if you fail to comply.

12.9 If you decide to hold the Deposit and the Tenancy is an Assured Shorthold Tenancy you must specify to us prior to the start of the Tenancy under which other Tenancy Deposit Protection Scheme the Deposit will be covered. If the Deposit is covered by Tenancy Deposit Solutions you must provide proof of membership, together with a copy of the insurance policy before the Deposit can be released. If the Deposit is to be sent to the custodial scheme known as the Deposit Protection Service (DPS) we will forward you a cheque for the amount of the Deposit made payable to the DPS for you to forward within nine days.

13. INSPECTIONS

13.1 Under the Standard Management Service, the Agent will normally carry out inspections bi-annually starting after the first month. Such inspections do not constitute a formal surveyor of the Property and 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. house 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 and garden). Where these were felt to be unsatisfactory, a more detailed inspection would generally be made.

13.2 Following the departure of tenants, a final inspection of the Property is carried out by the Agent. Testing of all the electrical appliances, heating system and plumbing is not feasible during this inspection, a qualified contractor should be appointed for this purpose should it be required by the Landlord. Any deficiencies or dilapidations would normally be submitted to the Landlord (and, if appropriate, to the relevant tenancy deposit scheme administrator) together with any recommended deductions or replacement values. It is recommended that every Landlord inspects their properties at the end of the tenancy within 5 days of the tenants leaving.

14. TERMINATION:

14.1 Termination of Agency Agreement. This Agreement may be terminated by either party by way of two Month's written notice. The Minimum Fee applies if on termination the total fees due are less than the Minimum Fee. Where cancellation of this Agreement is unavoidable due to circumstances beyond the control of either party, the Minimum fee will not apply and any pre-payments will be returned to the person entitled to them, less any expenses reasonably incurred to the date of cancellation.

14.2 Tenancy Deposit Where the Landlord changes from the Standard Management Service to a Letting Only Service, the deposit will be returned to the tenant. It is there after the Landlord's responsibility to make arrangements for obtaining and registering the deposit within The Tenancy Deposit scheme.

14.3 Full Management: Should the Tenant introduced to the property by the Agent or the Occupier or any party associated to the tenant or Occupier continue to reside at the property following termination of the Agreement, a fee equivalent to 1.5 months rent will be payable. The fee will be payable within 7 days of the termination of the Agreement whether demanded or not.

15. SAFETY REGULATIONS:

WARNING: You should read and understand these obligations before signing overleaf.

15.1 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 provided. The following regulations apply.

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Furniture and Furnishings (Fire)(Safety) Regulations 1988
General Product Safety Regulations 1994.
Gas Safety (installation and Use) Regulations 1998
Electrical Equipment (Safety) Regulations 1994
Plugs and Sockets (Safety) Regulations 1994
Smoke Detectors Act 1991

15.2 The Landlord confirms that they are aware of these obligations and that the Agent has provided sufficient information in the form of explanatory leaflets accompanying this Agreement 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. Under the Standard Management Service, the Agent shall ensure that all relevant equipment is checked at the beginning of the tenancy and maintained during the tenancy as required, and that appropriate records are kept during the tenancy as required, and that appropriate records are kept. Any appliances provided at the property will have to be maintained at the Landlord expense, unless the appliances have been damaged through misuse. The Landlord agrees to repay costs in incurring any reasonable expenses or penalties that may be suffered as a result of non-compliance of the Property to fire and appliance safety standards.

16 ENERGY PERFORMANCE CERTIFICATES:

The Energy Performance Certificate (EPC) gives home owners, tenants and buyers information on the energy efficiency of their property. It gives the building a standard energy and carbon emission efficiency grade from 'A' to 'G', where 'A' is the most efficient. An EPC is only required for a property which is self-contained, and is currently valid for 10 years. EPC's can only be produced as a result of a survey by an 'accredited' Domestic Energy Assessor. EPC's are used to collect standard information on the property – for example, its size and hot/water systems. The information is then fed into a government-approved software programme which produces the EPC.

17. INSTRUCTIONS:

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

18. VALUE ADDED TAX:

Currently Jhoots Lettings do not charge VAT

19. 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. It is recommended that both Buildings and Contents be insured.

20 HOUSING BENEFIT:

The Landlord Undertakes to reimburse the Agent 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 tenants(s) as rent. This undertaking shall remain in force during the currency and up to six years thereafter, whether or not the Agent continues to be engaged to let or manage the Property under this Agreement.

21. LEGAL PROCEEDINGS:

Any delays of payments or other defaults will be acted on by the Agent in the first instance. Where the Agent 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 may then be appointed and instructed by the Landlord (except where the Agent is unable, after taking reasonable efforts, to contact the Landlord. In that event the Agent 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.

22. LETTING ONLY SERVICE:

Where the Landlord does not wish the Agent to undertake full management (the Standard Management Service), the Agent can provide a Letting Only Service. The Letting Only Service includes only items 1 to 5 of the Standard Management Service as listed above. The Landlord would remain responsible for all other aspects of the letting including the maintenance of the property and any gas and electrical appliances. The Landlord will remain responsible for complying with the deposit protection requirements of the Hosing Act 2004 and must provide the Agent with Written confirmation of this together with a receipt for the deposit monies received by the Agent on his behalf. The fee for the Letting Service is a percentage of the gross monthly rent achieved and subject to a minimum fee of £350.00. The fees are payable at the commencement of the tenancy and will be deducted from the monies received by the Agent on the Landlord's behalf. If the tenant leaves prior to the end of the 6

23. RENEWALS:

Where, with the consent of the Landlord, the tenancy is renewed or extended to the same tenant (or any person associated with the tenant) originally introduced by the Agent, a renewal fee will be payable on the renewal date. The Agent shall prepare the tenancy agreement, if required, for the new or extended tenancy and the terms of this Agreement shall continue until the tenant leaves, or this Agreement is terminated.

24. KEYS:

The Landlord is required to supply two sets of keys (including window locks) for each property under the Standard Management Service. Where only one set is provided, the Agent will obtain and additional set at extra cost. It is strongly recommended that Landlords have at least 1 complete set of keys in their own possession.

Should the Landlord withdraw their property from our services for any reason, it is the responsibility of the Landlord to arrange collection of the keys. Any keys remaining with the possession of the Agent after 14 days of withdrawing will be disposed of. The Agent does not accept responsibility of any additional costs incurred by the Landlord of their failure to keep a current set of keys to the property.