



0845 092 0063

Email: enquiries@cityletsliverpool.com

CITYLETS (LIVERPOOL) LIMITED
PROPERTY MANAGEMENT
AGREEMENT.

The Agent provides a property management service to Landlords whom want to let out their property. The Landlord pays a standard fee calculated as a percentage of the gross rent receivable for the period of the tenancy.

This agreement is made between the Landlord of the property (as named at the end of this agreement) and CITYLETS (Liverpool) Ltd acting as agent for the Landlord and hereinafter referred to as the "Agent". The purpose of this document is to set clearly and concisely the extent of the Letting and management services offered and the fees subsequently charged.

Overview:

- The Agent will inspect the property after three months initially during the first tenancy and then randomly or when we consider it a requirement thereafter.
- In instances where trades are required to repair or improve a property then this can be arranged and the project managed, including the obtaining of competitive quotations, supervising works and settling of accounts.
- Make deductions from rent receivable for insurance premiums.
- Preparation and report of the cessation of the contract to determine the content of the inventory and matters relating to the wear and tear of the property
- Advising as to the likely rental income over the given period.
- Marketing the property – including advertising.
- Referencing of prospective tenants via a credit agency.
- Preparing the Tenancy Agreement in accord with the relevant Rent & Housing Acts and renewing the agreement when necessary.
- Making advance charge to tenants, normally one months rent in advance, to ensure performance of the contract in accord with the terms.
- Taking an inventory of the property.
- Collection of rent, charging fees against the rent (normally a given percentage of the gross rent over the period) and the balance becoming immediately payable to the Landlord.
- Advising utility companies and Local Authority of the new meter readings where applicable and tenancy commencement dates.

1, Inventories.

Should it be necessary, the agent will prepare an inventory for the property. The standard inventory will include all removable items in the property (except those of negligible value) plus carpets, curtains and other articles that, in the opinion of the Agent, need regular checking. Landlords should not leave anything of value in the property. A standard inventory does not include for a full schedule of condition of the dwelling though one can be organised at the Landlord request at an additional fee.

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2, Maintenance.

The Landlord warrants that the property is made available in good condition and that the property, beds, sofas and all other soft furnishings conform to the current safety regulations. The Landlord agrees to make the Agent aware of any on going maintenance problems.

The Landlord authorises, subject to an approved limit (UK Landlords £100 and overseas Landlords £200), on any single items of repair or other de-minimus limits as set by the Landlord to administer maintenance work that is required to be carried out by our approved contractors.

The Landlord is free to choice any other contractor as required but in this instance the Agent will not supervise the work. It is agreed that in an emergency or for any reason of contractual necessity where reasonable endeavours have been made to contact the Landlord, the Agent may exceed the limits as specified. The Agent will endeavour to select competent tradesman at a reasonable rate but we cannot guarantee the quality of workmanship or any liability arising thereof, although the Landlord retains the right to pursue any claim against appointed tradesman for substandard work.

By law, it is necessary to carry out an annual inspection and service for the central heating system and any gas appliances. The Agent will carry these out on the Landlords behalf if required and ensure the correct documentation is kept on record.

3, General Authority.

The Landlord confirms that he/she is the sole owner / joint owner of the property and that he/she has authority from the mortgage provider, (In the event the property is financed), to rent out the property. In the event the property is leased that authority under terms of the lease is granted.

If the Landlord forfeits the right to let out, or the authority to act in respect of the property then termination of this contract will occur forthwith. The Landlord authorises the Agent to carry out the various duties of the property management as detailed previously. The Landlord also agrees that the Agent is entitled to hold fees and deposits on behalf of the Landlord. It is declared that the Agency may earn, from time to time, commissions on insurance policies issued and interest on funds held.

4, Indemnity.

The Landlord agrees to indemnify the Agent against any cost, expense or liabilities incurred or imposed on the Agent provided that they were incurred on behalf of the Landlord in pursuit of the Agents normal duties. To assist the Agent in carrying out his/her duties effectively, the Landlord agrees to respond promptly with instructions when necessary to any correspondence or request from the Agent.

5, Overseas Landlords.

When letting properties and collecting rents for overseas landlords, the Agent is obliged by Tax Management Act 1970 (TMA), (or under any substantially enacted laws governing tax), to deduct monies, (currently at a rate of 24% of the gross rents) to cover any tax liability arising. In this situation, the Agent also request that the Landlord appoints a qualified accountant or authorises the Agent to instruct a qualified accountant to present annual disclosure to the Inland Revenue. A standard fee will be charged against the account for this service. Any further work, as a consequence to the disclosure made will be charged at a professional rate. It should be noted, that in many instances rental income (Schedule A) and the tax liability arising from Schedule A is normally minimal.

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6. Council Tax.

Payment of Council Tax is normally 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 under multiple occupation (HMO) then responsibility for Council Tax rest with the owner.

7. Utility Suppliers.

The Agent will take meter readings whenever possible at each change of occupancy and inform the utility companies of the readings and change of tenant. In many cases the service companies (e.g. BT) require the new tenants formally request the service and it is not possible for the Agent to do this on behalf of the tenant or Landlord. Regarding mail, Landlords should take care to inform all parties (e.g. Banks, clubs, societies etc), of their new address; you cannot always rely on the tenant to forward mail. We recommend that the Landlords arrange re-direction through the post office, as the Agent will under no circumstances be responsible for forwarding mail.

8. Inspections.

Under the standard management service, the Agent will normally carry out inspections quarterly in the first tenancy and then randomly or when we consider it a requirement thereafter. 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 and that there has be no enhanced dilapidation or erosion of the fixtures and fittings as stated within the inventory. Such that the carpets, walls, cooker, main living area and gardens will be checked to ensure that the items are being kept in the condition at which the tenancy was incepted. Departures from the above will be recorded and correspondence entered into with the tenant. A qualified opinion as to the electrical and heating systems is not given at this stage. Should one be required then an approved contractor will be appointed in accord with our terms or as directed by the Landlord. Any work required returning the systems to the state they were in prior to the new tenancy will be charged to the tenant with the proviso that it is agreed with the agent and that his judgement in such matters will be final. In instances were agreement of the replacement or repair cost cannot be agreed then such matters will be referred to arbitration with the Royal Institute of Chartered Surveyors, any cost being shared by the Landlord and tenant, or as directed by the arbitrators. The Agent will not be held responsible were access is denied by the tenant.

9. Holding fees & deposits.

A referencing fee is generally taken form a tenant applying to rent a property. The purpose of such is to verify the tenant's intentions to proceed, and to protect the Agent against any administration expenses. The reference fee does not protect the Landlord against loss of rent due to the tenant deciding to withdraw, or for referencing proving to be unsuitable. Upon signing the tenancy agreement, the Agent will charge the Tenant an additional fee usually one month's rent as security against fees due to the Agent during the normal course of the tenancy and against any additional fees due to the Agent caused by the Tenants failure to perform to the tenant's obligations. The Agent may also use this fee at his discretion to compensate the Landlord for any breach of those obligations.



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10, Letting Agreement.

The standard management service includes the preparation of a Letting Agreement in the Agents standard form(s) and provision for a copy of this agreement to a designated advisor or building society if so required. Should the Landlord or his advisor/s and or mortgages require amendments to this contract or require the Agent to enter into further correspondence then an additional fee may be requested. It is agreed that the Agency may sign the contract on behalf of the landlord.

11, Termination.

This agreement may be terminated by either party having been given three months written notice. The minimum fee applies if termination reduces the Agents fee to below the minimum fee. A placement fee equivalent to one month's rent will be payable where the Landlord intends to continue letting to tenants introduced by the Agent after the termination of this agreement.

The Agent may terminate this agreement with immediate effect if the Landlord fails to comply with his contractual obligations (e.g. fails to comply with the Gas Safety Certification). The Agent must give Seven days notice in such instances.

The Landlord shall provide the Agent with any requirements for return and repossession of the said property at the earliest opportunity. Landlords should be aware that any tenancy agreement entered into on the Landlords behalf is a binding agreement for the term. Details of the tenancy agreement being entered into will be communicated onto the Landlord as soon as possible. Landlords should be aware that the minimum legal notice period to tenants under assured hold tenancy agreements is generally two months, (should the contract allow for early termination), and this needs to be given in the case of a fixed term tenancy which is due to expire.

12, Safety regulations.

The letting of property is now closely regulated with respect to consumer safety. The law makes particular demands regarding safety, servicing and inspection of gas and electrical appliances and installations within a property, and with respect to the type of furniture and soft furnishings that are also provided. The following safety regulations apply:

- Furniture and Furnishings (Fire) (Safety) Regulations 1998.
- Gas Safety (Installation and use) Regulations 1994.
- Electrical Equipment (Safety) Regulations 1994.

The Landlord confirms that he/she is aware of these obligations and that the Agent has provided sufficient information (via explanatory leaflets available upon request) to assist 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 the above regulations.

The Agent will ensure that all gas equipment is checked at the beginning of the tenancy and every year following. The Landlord agrees to indemnify the Agent against any expenses or penalties that may be suffered as a result of non-compliance of the property to fire and appliance safety standards.



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13, Fees.

Standard management fee is 15%.

Tenancy set up fee: £150 standard package or £350 premier package (additional advertising)

Minimum withdrawal fee within three months (prior to introducing first tenant): £150

Minimum fee (early termination of tenancy): £300

Obtaining estimates and over seeing repairs/improvements: 10% of costs or min charges £200.

Let only service 1 month's rent (subject to a minimum fee of £300). £125 in advance – see let only section on page 6.

Website advertising only fee – 1 month's rent

14, Notices.

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

15, Sale of Property.

In the event of a party introduced by the Agent (or any person or body corporate associated with the that party) subsequently purchasing the property, whether before or after entering into an agreement, commission shall be payable by the Landlord to the Agent on completion of the sale at the rate of 1.5% of the sale price plus Vat (if applicable) (subject to a minimum fee of £750).

16, Insurance.

The Landlord should be responsible for the property being adequately insured and that the insurance policy covers the situation where the property is let.

17, Legal proceedings.

The Agent will act upon any delays of payment or other defaults in the first instance. Where the Agent has been unsuccessful in these initial actions, or there are any significant 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 Agent is unable to contact the Landlord, in which case the Agent is authorised to instruct a solicitor on the Landlords behalf). The Landlord is responsible for payment of all legal fees and any related cost.



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18, Short lets.

For short lets (less than six months) the administration overhead (and thus the management charge) is proportionally higher. There are also some important aspects of the management service, which are different or cannot be provided with short lets:

1. The agent will not always be able to interview tenants and take up references for short lets (including holiday lets) especially for visitors arriving from abroad.
2. In many short lets (e.g. holiday lets) dilapidation deposits will not be held.
3. It may not be possible to make regular payments and the Agent shall aim to pass rents within 30 days of receipt.
4. Services (electricity/gas etc) will often be left connected during a holiday let and included for in the quoted rent. Council Tax may also be payable by the Landlord on short lets, and in case of doubt, the Landlord is advised to contact his/her local Council Tax office.

19, Letting only.

Where the Landlord does not wish the Agent to undertake full management, the Agent can provide a letting Service. The Letting service includes only parts 1, 3, 5, 6, 7, 9 & 10 of the Standard Management service as listed. The fee for the Letting service is one month's rent, £125 of which is due in advance.

The balance of the fee is payable at the commencement of the Tenancy and will be deducted from monies received by the Agent on the Landlords behalf. If the tenant leaves prior to the end of the term of the tenancy, the Landlord shall not be entitled to reimbursement of any fees.

20, Lease Renewals.

Where a tenancy is renewed or extended to the same tenant (or any person associated with the tenant) originally by the Agent, a renewal fee equivalent to 7.5% of the gross rental for the term shall be payable on the renewable date. The Agent shall prepare the tenancy agreement, if required, for the new or extended tenancy.



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Acceptance & variation of agreement.

Citylets (Liverpool) Limited may vary the terms and conditions of this agreement at any time or times, but only by prior written notice.

I/We confirm that I/we have read the attached Agreement and wish the Agent to undertake the Letting, full management*.

- Delete as appropriate

I / we also confirm that I am/we are the sole/joint owner of the property known as:

Property/ies to be let.

Please circle which service you require and number in order of preference if applicable

Website advertising only

Let only service

Full management standard package

Full Management premier package (additional premium advertising (Magazine publication))

T.D.S. Insurance Scheme / Govt

Guarantor.

Inventory Yes/No. £_____

Signed: _____ Date_____

(If property jointly owned all parties should sign).

Landlord/s full name/s.

Signed on behalf of the Agent: _____ Date_____

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