

# Agency Agreement

Full Management

# Landlord Agency Agreement

## Full Management

This Agreement is made between the landlord of the Property (as named in this Agreement) and PPC Property Management Ltd (PPC) acting as Agent for the Landlord and hereinafter referred to as "PPC". The purpose of this document is to set out clearly and concisely the extent of the letting and management services offered, and the scale of fees charged.

## TERMS AND CONDITIONS

### Full Management Service

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## 1. Fees – Full Management

- 1.1.1. Tenancy set up fee:  
50% + VAT of the agreed monthly rent.  
This covers advertising, meeting prospective Tenants, taking up references, supplying and preparing the Tenancy Agreement, and preparation of the inventory. The tenancy set up fee is charged initially, and upon each change of tenant. Unlike many agents we **do not charge** a contract renewal fee or a final inspection fee.
- 1.1.2. Management Charges:  
14.4% inc VAT (12% plus VAT) of the collected rent. This is in respect of collecting and passing on the rent, inspecting the property, and general full management of the property during the Tenancy.
- 1.1.3. Our Management fees will be due should the Tenant continue in occupation of the Property after the initial letting (whether by renewal, statutory continuation, or otherwise and whether or not his continued occupation has been arranged by the Agent). Whilst every endeavour is made to receive a signed renewal document endorsed by all Tenants The Agent cannot be held responsible for the document not being received or signed by all of them. The tenancy will revert to a statutory periodic agreement under which the Landlord can give two months notice at any time and the tenant can give one months notice.
- 1.1.4. In the event that PPC introduces a tenant who enters into an agreement to rent the landlord's property the commission becomes payable to PPC.
- 1.1.5. The Initial Commission fee is payable for any tenant introduced to the property by PPC, whether or not the tenancy is finalised by PPC.
- 1.1.6. All fees are plus VAT at the prevailing rate.

## 2. Rent Collection & Transfer of money to Landlord

- 2.1.1. PPC will collect rent in accordance with the terms of the tenancy agreement.
- 2.1.2. PPC will deduct the setup fee, management charges and any other deductions for repairs etc before passing the balance onto the landlord.
- 2.1.3. We aim to collect all rents from the tenants, in the first week of the month, As such, we operate a policy of making payments to Landlords bank accounts around the 15<sup>th</sup> of the month, however we cannot guarantee this and will not be held responsible for late payment to your account.

- 2.1.4. Where PPC collects the rent, if the rent has not been paid ten days after it falls due, PPC will endeavour to notify the landlord at the earliest possible opportunity, and will attempt to obtain payment from the tenant by means of telephone calls and a series of written notices.
- 2.1.5. Where you provide us with UK bank details, we use the BACS system to make payments to your account and do not charge for this service. Where we are required to make payment by alternative methods (Telegraphic Transfer, CHAPS, or cheque) we will pass on any costs incurred in doing this to you.

### **3. References**

- 3.1.1. PPC will take reasonable steps to attempt to verify the identity of potential tenants. Where the initial term of the letting is for a period six months or more, PPC will obtain references on prospective tenants. By signing the tenancy agreement or otherwise instructing PPC to proceed with a letting, the landlord, or landlord's agent, is deemed to have seen and accepted any such references or identity checks, or waived the requirement for PPC to obtain these.
- 3.1.2. The Agent makes a separate administration charge to the Tenant for references and financial credit checks.
- 3.1.3. Upon receipt of all relevant references a final report is compiled advising of the suitability of the individuals concerned. This report is then filed and held for a period of 6 years. However, in line with the Data Protection Act 1998, this report is confidential and we are not allowed to share it with a third party, including the Landlord.

### **4. Agency**

- 4.1.1. We will ask you for written confirmation of your instructions to proceed with a letting. Upon receipt of such confirmation, we will sign the tenancy agreement and exchange contracts on your behalf.
- 4.1.2. However, by instructing PPC as your agent, in circumstances where you have confirmed verbally that you wish to proceed with a letting, and for example we cannot obtain written confirmation or need to proceed quickly, you authorise PPC to sign any of the necessary documentation on your behalf.
- 4.1.3. By instructing PPC you are appointing us as your sole agent for a period of four weeks from the date of this instruction. Where we act as your sole agent you are agreeing to give us the sole and exclusive right to let your property. This means that you will be liable to pay us commission as set out in clause 1.1 and clause 1.2 if at any time a tenant who views or is otherwise introduced to your property during the period of the sole agency enters into an agreement to rent your property, whether the viewing or introduction was conducted by PPC, or by any other agent or third party.

### **5. Electronic documentation**

- 5.1.1. Contracts which have been signed electronically (whether by fax, email or website authentication) are binding and admissible in evidence. For convenience, we may ask you or any prospective tenants to sign documents electronically

### **6. Inventory .**

- 6.1.1. Where instructed and prior to the start of the Tenancy, PPC will prepare an Inventory and Schedule of Condition. In addition to the list of contents the inventory will reflect the condition of the property with respect to cleanliness, standard of decor, condition of fixtures and fittings and the state of the garden. Photographs will also be taken at this time.
- 6.1.2. At the end of the tenancy a final inspection will be carried out to ensure that the property and its contents have been left in reasonably similar condition (fair wear and tear excepted) as at the commencement of the tenancy.

## **7. Deposit and holding fee**

- 7.1.1. The deposit will be held in accordance with the terms of the tenancy agreement.
- 7.1.2. The maximum deposit we can hold by law is the equivalent to five weeks rent.
- 7.1.3. Under the terms of our Assured Shorthold Tenancy agreement, the deposit will be held by The Deposit Protection Service (DPS) in accordance with the Housing Act 2004. Under this scheme, undisputed deposits must be released to the tenant within ten days of termination of the tenancy. Full details of the scheme may be found at [www.depositprotection.com](http://www.depositprotection.com). PPC takes no responsibility for the failure of a deposit being registered where held by the landlord or an alternative appointed agent.
- 7.1.4. 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 Agent against any administrative expenses (taking references, conducting viewings, re-advertising) 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. We will not accept rent from an applicant until satisfactory references have been received.
- 7.1.5. In the event that you, the Landlord, hold the deposit you warrant that you will protect the deposit in line with legal requirements and that you will be responsible for all fees and charges associated with obtaining membership to an authorised scheme (where required) and protecting the deposit itself. You further agree that you will fully indemnify PPC against any claim by the tenant howsoever arising, as a result of your holding the deposit. You will be required to provide proof of your membership of an authorised scheme.

## **8. Safety Regulations**

- 8.1. The Gas Safety (Installation & Use) Regulations 1998
  - 8.1.1. Under the above regulations, it is the landlord's responsibility to ensure that all gas appliances and the fixed installation are maintained in good order and checked for safety at least every 12 months by a Gas Safe registered engineer.
  - 8.1.2. If PPC is not provided with a valid certificate prior to the commencement of the tenancy, we reserve the right to appoint a Gas Safe registered engineer to inspect all gas appliances and their installations and carry out any remedial works where necessary. The cost incurred, will be debited from the landlord's account.
- 8.2. The Electrical Equipment (Safety) Regulations 1994
  - 8.2.1. The landlord is legally responsible for ensuring that the electrical installation and all appliances within the property are maintained in good order and regularly checked for safety by an appropriate registered engineer.
  - 8.2.2. If PPC is not provided with a valid certificate prior to the commencement of the tenancy, we reserve the right to appoint an appropriate registered engineer to make the necessary checks and carry out any remedial works where necessary. The cost incurred will be debited from the landlord's account.
- 8.3. Furniture and Furnishings (Fire) (Safety) Regulations 1988 and (Amendment) 1993
  - 8.3.1. The landlord warrants that he/she is fully aware of the terms and conditions of the above Regulations including any subsequent amendments or replacement Regulations (hereafter referred to as the Regulations). The landlord declares that all furniture presently in the property or to be included in a property to which this agreement applies, complies in all respects with the Regulations.
  - 8.3.2. The landlord further warrants that any furniture purchased for the property after the date of this agreement will also comply with the Regulations for the duration of the tenancy and any Renewals.

## **9. Energy Performance Certificate (EPC)**

- 9.1.1. All buildings in the private rented sector require an EPC. It is a legal requirement that we have a current EPC before we start to market the property. New EPC's will remain valid for ten years. PPC can organise an EPC from an approved supplier. The cost is £100.00+ vat.

## **10. Indemnity**

- 10.1.1. The landlord undertakes to keep PPC fully and effectively indemnified in respect of any claim, demand, liability, cost, expense or prosecution which may arise due to the failure of the landlord to comply fully with the terms of all the above Regulations, including any subsequent amendments thereto or replacement Regulations.
- 10.1.2. The landlord agrees to indemnify PPC as agent against any costs, expenses or liabilities incurred or imposed on us, provided they were incurred on the landlord's behalf in pursuit of our normal duties.

## **11. Landlords resident outside the UK**

- 11.1.1. The Non-Resident Landlords Scheme is a scheme operated by HM Revenue & Customs (HMRC) for taxing the UK rental income of non-resident landlords. The scheme requires UK lettings agents to deduct basic rate tax from any rent collected. You are considered to be non-resident if your usual place of abode is outside the UK, or you are absent from the UK for a period of more than six months.
- 11.1.2. You can apply to HMRC for approval to receive rents without tax being deducted. If your application is successful then once we have received written confirmation of their decision we will pay you the rent without deducting tax. Even though the rent may be paid to you without tax being deducted, it remains liable to UK tax and you must include it on your tax return.
- 11.1.3. Where a non-resident landlord does not have approval from HMRC, we charge £120.00 including VAT for submitting quarterly returns and an annual return. We complete the annual return and send you a certificate showing the amount of tax that we have paid on your behalf. No interest is paid to landlords on tax retentions held by PPC.
- 11.1.4. PPC must be provided with a UK residential address for service. If we are not provided with a UK residential address then we are obliged to assume that a landlord is non-resident and we will operate the provisions of the scheme. PPC will also be obliged to state the landlord's correspondence address on the tenancy agreement as c/o PPC's registered office address.
- 11.1.5. Where we do not deduct tax which should have been deducted under the scheme we are entitled to recover this money from you at a later date, along with any other costs that are imposed on us by HMRC.
- 11.1.6. Landlords who are resident outside the UK are not entitled to hold the deposit for the duration of the tenancy.

## **12. Management Service**

- 12.1.1. While the Property is un-let either party may terminate this Agreement by giving to the other not less than one week's written notice to expire at any time.
- 12.1.2. While the Property is let the Agent may terminate this Agreement by giving to the Landlord not less than one month's written notice to expire at any time in the event that the Landlord is in breach of any of his obligations in this Agreement.
- 12.1.3. While the Property is let the Landlord may terminate this Agreement by giving the Agent not less than three months' written notice to expire at any time. Should a Landlord and Tenant at any time after the start of a tenancy come to a

private agreement whereby the Tenant renews directly with the Landlord a fee of one month's rent will become due and payable to the Agent from the Landlord.

- 12.1.4. Under the termination of this Agreement both parties shall be released from their obligations hereunder but without prejudice to the rights of either party in respect of any antecedent breach of this Agreement and save for any continuing liability of the Landlord for the letting and management fee where a Tenancy Agreement is continuing after termination of this Agreement.

### **13. Transfer of utilities**

- 13.1.1. The *Tenant* is responsible for the Council Tax, Water, Gas, Electricity and Phone Service whilst in the property. PPC will provide the relevant telephone numbers to the Tenant and request that they have all of the utilities and council tax transferred into their name(s) from the day they move into the property.
- 13.1.2. A representative from PPC will take electricity and gas meter readings before the Tenant moves into the property but it is imperative that Landlords also take their own readings and contact all the necessary utility companies and the council office to inform them that tenants will be moving into the property and to provide your forwarding address for your final bills.
- 13.1.3. During any periods that the property is vacant the Landlord is responsible for any Council Tax due and utilities.
- 13.1.4. In those properties that have oil fired central heating a representative of PPC will mark the oil level the day before the tenant moves into the property and will endeavour to make sure that the oil supply is at the same level when the tenant vacates.
- 13.1.5. The utility companies and the local authority should send the relevant forms to the new occupier(s) to be completed and signed and it remains the tenants' responsibility to ensure that a new account is opened in their name. PPC cannot be held liable if services are disconnected or are not transferred by the utility companies.

### **14. Key-holding service**

- 14.1.1. We require a set of keys in order to be able to manage your property effectively. These will be held locally in our secure system and made available to our approved suppliers or any other party authorised by you.
- 14.1.2. Tenants normally require one set of keys for each occupant of the property (with a minimum of two sets). Where we are managing the property, we will hold a set of keys. Where we are not provided with sufficient sets to allow us to do this, we may cut additional sets and may make an administration charge of £20 in addition to the cost of cutting keys for this service.
- 14.1.3. PPC' secure key tag system ensures that third parties cannot identify which property a set of keys belongs to. Therefore, in the event that keys are lost or unaccounted for, PPC' liability in respect of such keys and/or any locks is strictly limited to the cost of cutting a new set of keys.

### **15. Repairs and maintenance**

- 15.1.1. We will attend to the day-to-day minor repairs and maintenance of the property and its contents.
- 15.1.2. We will contact you for permission to proceed if the cost of the work exceeds £250 (or other amount to be agreed in writing).

- 15.1.3. If requested, we can obtain estimates for consideration by the landlord for any major repairs or maintenance over £500 and submit them for approval prior to the commencement of the work.
- 15.1.4. However, in emergencies and where we consider it necessary, we will act to protect the landlord's interests without consultation.
- 15.1.5. It should be noted that, at all times PPC act as Landlords Agents for the purposes of instructing for any and all works at or on a Landlords property, and are never the principal for such works. Bills and invoices raised by all third party contractors are properly raised to landlords accounts and will be settled by PPC on behalf of the Landlord, from the Landlords cleared funds held in account with us. Where funds are not being held it is the Landlords responsibility to settle any outstanding accounts.
- 15.1.6. We would like to make it clear that the Landlord is responsible for all maintenance/repairs to the fabric of the property and also to all appliances at the property, assuming that the Tenants cannot be proved negligent. The Landlord would also be responsible for the re-erection of fence panels or gates if they were to be blown down during a storm.
- 15.1.7. We would like to take this opportunity to stress the importance of promptly responding to maintenance problems reported to us by the Tenant. However trivial or inconsequential they may appear, all maintenance problems can cause inconvenience to the Tenants, as well as deteriorating if left unattended. We would therefore request your consideration in dealing with maintenance requests promptly.

## **16. Payment of outgoings**

- 16.1.1. Where instructed by the landlord and where we hold sufficient funds, PPC will pay ground rents, service charges, council tax, gas and electricity bills, water rates and any regular outgoings out of the rental income, as and when demands are received PPC. We will endeavour to query any obvious discrepancies, however, it must be understood that we are entitled to accept and pay, without question, demands and accounts that we believe to be in order.
- 16.1.2. We cannot undertake to meet any outgoings beyond the funds we hold. If we do not hold funds to settle an invoice, we may provide your contact details to the supplier so that they can apply to you for payment.

## **17. Management inspections**

- 17.1.1. PPC will arrange periodic inspections of the property. It should be appreciated that such inspection would embrace only apparent, obvious defects and would not amount in any way to a structural or complete survey or inventory check. We partly rely on tenants reporting defects to us.
- 17.1.2. We cannot accept responsibility for hidden or latent defects.
- 17.1.3. If the tenants should extend the tenancy and all previous inspections have been satisfactory, the period between inspections will be lengthened.

## **18. Check-out and deposit**

- 18.1.1. PPC will carry out a final check once the tenants have vacated the property and formalise any deductions that should be made from the deposit.
- 18.1.2. In respect of deposits held for ASTs, you must finalise any further deductions with us within ten days of termination of the tenancy so that we can meet our obligations under the Housing Act 2004 and the provisions of the deposit protection scheme operated by The Deposit Protection Service which require you and us as your agent to return any undisputed deposit amount to the tenant within ten days of termination of the tenancy. Should you fail to finalise deductions with us within ten days, we reserve the right to release some or all of the deposit to the tenant.

- 18.1.3. PPC will not accept responsibility for the failure of any item of claim which is a result of your failure to provide the necessary information to us within the requisite time.

## **19. Management while the property is vacant**

- 19.1.1. During void periods, we will continue to manage the property, however, cannot be held liable for any loss and/or damage arising from fire, flood or theft. If the landlord requires supplies to be turned off or disconnected during this period, PPC must receive instructions in writing and will arrange for the required contractor to attend at the landlord's expense. The landlord is also advised to contact his/her insurance company should the property be empty for longer than 30 days.

## **20. Sale of the Property**

- 20.1.1. In the event of a party (or any person or body corporate associated with that party) introduced by us, subsequently purchasing the premises whether before or after entering into a Tenancy Agreement, commission shall be payable to us on completion of the sale at the rate of 1.5% + Vat of the sale price.

## **21. Dealing with third parties**

- 21.1.1. PPC will liaise where necessary with the landlord's accountants, solicitors, superior landlords, managing agents and mortgagees.

## **22. Insurance**

- 22.1.1. Activities relating to the arrangement and administration of insurance are governed by the Financial Services and Markets Act 2000. As a result, we are unable to arrange insurance on your behalf, to notify your insurer of claims or to complete documentation relating to those claims.
- 22.1.2. We will notify you when we believe that damage to your property has resulted from an insured risk, and will provide you with the information that you need in order to make a claim. We will also obtain estimates for repairing the damage which can be supplied to the insurers, and arrange for the repairs to be carried out upon your instruction.

## **23. General Notices**

- 23.1.1. We are members of The Property Ombudsman. [www.tpos.co.uk](http://www.tpos.co.uk)
- 23.1.2. Right to cancel – You can cancel this agreement within days of signing without any penalty
- 23.2. Permissions and consents
- 23.2.1. The landlord warrants that consent to let from his/her mortgagees has been obtained and
- 23.2.2. Where he/she is a lessee, the lease extends beyond the term that he/she proposes to let and that any necessary consents have been obtained, and
- 23.2.3. He/she has notified his/her insurance company of his/her intention to let and has obtained their agreement to extend the insurance cover on the property and its contents to cover the changed circumstances, and
- 23.2.4. Where he/she is a joint owner, he/she has ensured that all the owners are named in the tenancy agreement and that he/she is authorised to give instructions on their behalf.
- 23.3. Commission and interest
- 23.3.1. Any commission, interest or other income earned by PPC while carrying out our duties as agent for the letting and/or management of the property, for example by referrals to solicitors, EPC providers, contractors or inventory clerks, will be retained by PPC.



- 23.4. Outstanding fees
- 23.4.1. The landlord agrees that, where any of PPC' fees and/or commission charges remain outstanding for more than seven days, PPC may use any sums obtained or held on the landlord's behalf to pay the outstanding sums, including rental payments on this or any other property on which PPC is instructed.
- 23.5. Interest
- 23.5.1. PPC's fees are payable on demand, as and when they fall due. PPC reserves the right to charge interest on any amounts outstanding 28 days after the fees are first demanded. Interest will be charged from the date the fees become due at the annual rate of 2% above the Bank of England's base rate.
- 23.6. Legal proceedings
- 23.6.1. PPC is not responsible for any legal steps for the recovery of rent or repossession of the property. Appearances before any Court or Tribunal will be by special arrangement and the fee for any such attendance will be £350 + VAT per day, or part thereof. PPC will not accept service of legal proceedings on the landlord's behalf.
- 23.7. Disclaimer
- 23.7.1. PPC will carry out all services with reasonable care and skill. However, we are unable to guarantee the suitability of tenants, timely rental payments or vacant possession at the end of a tenancy and cannot be held liable by the landlord for such events.
- 23.8. Jurisdiction
- 23.8.1. The High Court and the County Courts of England and Wales shall have jurisdiction to hear and determine any action or proceedings in respect of this agreement.
- 23.9. Data protection and privacy policy
- 23.9.1. PPC is registered under the Data Protection Act 1998 and we undertake to comply with the Act in all our dealings with your personal data. We will keep your personal information secure.
- 23.10. Amendments
- 23.10.1. PPC may change or add to the terms of this agreement (except in relation to the level of any fees due under this agreement) for legal or regulatory reasons. We will notify you if any such change will affect the service that we offer you.
- 23.11. Entire agreement and variations
- 23.11.1. PPC intends to rely upon the written terms set out in these terms and conditions. You are reminded again to read them very carefully. If you require any changes, please make sure you ask for these to be put in writing. In that way, we can avoid any problems surrounding what PPC and the landlord are each expected to do.

## **24. Miscellaneous**

- 24.1. Headings
- 24.1.1. The headings in this document do not form part of these Terms and Conditions and shall not be taken into consideration in the interpretation or construction of these Terms and Conditions.

## 25. Declaration

I/we declare that I am/we are the sole/joint owner(s) of the Freehold/Leasehold property as stated and confirm that I/we have read and accepted the terms and Conditions of this Agreement.

|                     |  |
|---------------------|--|
| Property to be Let: |  |
| Address:            |  |
| Post Code:          |  |

Landlord Contact Details (or UK Power of Attorney if appropriate)

|                            |  |
|----------------------------|--|
| Names of all Legal owners: |  |
| Address:                   |  |
| Post Code:                 |  |
| Home Telephone:            |  |
| Work Telephone:            |  |
| Mobile Telephone:          |  |
| E-mail:                    |  |

Bank Details. *Please note that payments made by cheque will incur a fee of £10.00 +VAT to cover additional administration costs.*

|                 |  |
|-----------------|--|
| Account Name:   |  |
| Account Number: |  |
| Sort Code:      |  |

All Legal Owners must sign below:

The Landlord confirms that they have read and accepted the terms and Conditions of this Agreement. The Agent may vary the terms and Conditions at any time or times, but only by prior written notification.

1)

|           |           |      |
|-----------|-----------|------|
| Signature | Full Name | Date |
|-----------|-----------|------|

2)

|           |           |      |
|-----------|-----------|------|
| Signature | Full Name | Date |
|-----------|-----------|------|