



BOWES MITCHELL'S TERMS OF BUSINESS

LETTING & MANAGEMENT SERVICES

INTRODUCTION

Thank you for considering Bowes Mitchell Estate Agents the trading name of Bowes Mitchell (Residential Lettings) Ltd as the Letting Agent for your property. As experienced letting agents, we understand the importance to Landlords of not only securing an initial tenant for your property but also maintaining contact with the tenant with a view to securing renewal of the tenancy where required, thereby reducing the risk of rent voids. These terms and conditions set out the services available from us as Letting Agents. They also detail your obligations as a landlord. Should you instruct us to act on our behalf, these terms and conditions shall constitute the contract between us and they shall be applicable to the exclusions of all others.

N.B Our core services to you are detailed below. The charges we make for these core services are detailed in clause 4. Your attention is specifically drawn to these clauses.

BOWES MITCHELL'S ESTATE AGENTS TERMS AND CONDITIONS OF BUSINESS

We offer three levels of service to a Landlord:

(a) Tenant Introduction and Renewal Service

- Marketing your property, at an agreed figure, to prospective tenants, including advertising (if appropriate) and putting up a "To Let" board.
- Negotiating price and terms and conditions with prospective tenants.
- Taking necessary references.
- Drawing up the Tenancy Agreement and obtaining signatures, plus supplying Tenants with a current Landlords Gas Safety Certificate as supplied by the Landlord (see notes on Safety Requirements)
- Collecting the first month's rent and providing advice to you in relation to the Tenancy Deposit Scheme (see clause 5 below) Taking gas and electricity meter readings if possible and if requested.
- Liaising with you and the Tenant prior to the expiry of the term of any tenancy to establish whether renewal of the tenancy is required, assisting in the negotiation of the terms of any new tenancy and preparing all necessary paperwork relating to renewal.

N.B If the property to be let is vacant for all or part of the time, we will require a set of keys in order to accompany prospective tenants on viewings. These keys are stored securely.

(b) Full Property Management Service

In addition to all the services listed above, we offer the following:

- Payment of overheads. As instructed by you we will pay any overheads associated with the property out of the rental income when it is received. We rely upon the landlord to instruct the relevant companies to forward accounts to

us for payment. We will endeavour to query any obvious discrepancies although all payments are made by us without liability for errors by the creditors concerned. We regret we are unable to make mortgage payments on behalf of landlords.

- Repairs and replacements. We will deal with the day to day maintenance, repairs, servicing and replacements (if necessary) up to a maximum of £150 per single item without consulting landlords. By signing these terms and conditions, you authorise Bowes Mitchell Estate Agents to instruct the carrying out of such works without further reference to you. In case of emergency, to protect our client's best interests, this sum can be exceeded at our discretion. Estimates will be submitted to Landlords wherever possible.
- Quarterly inspections and notified defects. During the Tenancy we will investigate defects brought to our attention by the Tenant(s). More regular inspection of properties can be provided by agreement at a charge of £100 plus VAT per inspection. It must be understood however, that these inspections can only provide a superficial examination and are not a structural survey. We cannot accept responsibility for hidden or latent defects.

N.B.1 Management funding – We cannot be held responsible for meeting any management costs on your behalf unless we are possession of sufficient funds net of our fees. We are also unable to instruct any maintenance or emergency works unless we have monies on account. Management does not include the supervision of property whilst it is not let unless funds are made available to discharge all outgoings and fees.

N.B.2 Forwarding Post. We are able to forward to a UK address any post which reaches our offices. The cost of the postage to forward your mail will be deducted from your monthly rent. We strongly recommend however, that Landlords arrange to have post forwarded by the Post Office as the cost is minimal and tenants cannot be relied upon to redirect post.

(c) Rent Collection Service

- Includes all services listed under clause 2(a) and in addition includes the following:
- Collection of rent from the tenant and arrange for the rent, less our fee

calculated at 3% (subject to a minimum of £25) per month + VAT of the rent received, to be paid into an account nominated by you.

LANDLORDS OBLIGATIONS

We agree to market and let your property on the basis that you are responsible for making the following arrangements:

Insurance

You must ensure that adequate building and contents insurances are in place and that the policy covers furnished lettings – many household policies do not.

Mortgages

If your property is subject to a mortgage, it is usually a condition of the mortgage that permission is obtained from the mortgagee to let or sub-let the property. It is your responsibility to ensure that the relevant permission is obtained. Your mortgage company may charge a small administration fee, and may want to see the proposed Tenancy Agreement before giving permission.

Sub-Letting

If your ownership of the property is Leasehold it is important for you to satisfy yourself that:

- The intended furnished letting expires before your Lease terminates.
- The sub-letting is permitted under the terms of your lease and that you have

obtained any consent required by your landlord/freeholder. We suggest that you supply us with a copy of your lease, as the proposed tenant is legally entitled to inspect it.

- Service and utility companies (gas, electricity, and water) Bowes Mitchell will on your behalf inform utility companies.
- Televisions. If a tenant brings a television onto the property they will be responsible for the purchasing of a television license. However should a Landlord leave a television as part of the contents (listed or otherwise) the responsibility for the purchasing of the license will then revert to the Landlord.
- Council tax. You must inform the relevant Local Authority if you change address, however Bowes Mitchell Estate Agents are prepared to do so on your behalf if requested. You are responsible for council tax during any time the property remains unoccupied. It should be noted that the Landlord/owner also remains legally liable to pay the Council Tax on a property that is not the sole or main residence.

Property Condition

You are responsible for maintain the condition of the property (excluding damage by tenants) throughout the Tenancy. Thorough inspections of the roof, plumbing and wiring etc, are recommended. All appliances, including central heating, require checking and servicing. Details of maintenance contracts, certificates of guarantee and instruction manuals should be made available to the tenants and ourselves. The property should be in good decorative order inside and out. Gardens should be tidy and well cared for and adequate tools should be provided for their maintenance.

Safety Requirements

There are three safety checks which should be carried out prior to Tenant(s) moving into a property, namely Gas, Electricity and Fire/Furnishings safety. A "Landlord's Gas Safety Record" is required by law to be given to the tenant at the commencement of their tenancy and a further test must be carried out each year upon expiry and given to the Tenant. Landlords also have a legal "duty of care" to ensure that all electrical wiring, fittings and appliances are safe to use, and that all soft furnishings comply with the legal safety requirements (please ask us for details). We therefore recommend that all three safety checks be carried out. Bowes Mitchell can arrange these initial checks for you on the basis that you will pay all the contractors costs.

The Gas Safety (Installation and Use) Regulations 1994 (as amended)

All gas equipment, pipework and appliances must accord with these Regulations including annual inspection by a Gas Safe registered installer and records maintained of work undertaken. A safety inspection must be completed satisfactorily prior to any letting and a Report provided to the Tenant and/or displayed at the Property. You warrant to Bowes Mitchell Estate Agents that, the Gas Safety (Installation and Use) Regulations 1994 as amended by the Gas Safety (Installation and Use) (Amendment) Regulations 1996 and (Amendment) (no.2) Regulations 1996, have and will continue to be fully complied with by you, as the Landlord. Please note, failure to comply with these Regulations is a criminal offence.

The Electrical Equipment (Safety) Regulations 1994

These regulations apply to the electrical supply along with new and second-hand equipment including mobile and fixed appliances e.g. kettles, irons, vacuum cleaners, cookers, etc and require that the property and electrical contents are in safe working order. You must arrange for such checks to be carried out in accordance with the Regulations.

The Furniture and Furnishings (Fire) (Safety) Regulations 1988 (as amended)

You, as the Landlord, warrant to Bowes Mitchell Estate Agents that all furniture and furnishings in the property to be let and included in the letting (whether originally provided or added during the Tenancy) fully comply with the requirements of the Consumer Protection Act 1987 and all statutory instruments made under it including in particular the Furniture and Furnishings (Fire) (Safety) Regulations 1988 as amended by the Furniture and Furnishings (Fire) (Safety) (Amendment) Regulations 1989 and 1993. Please note, failure to comply with these Regulations is a criminal offence.

Portable Appliance Testing (P.A.T.)

Currently there is no legal obligation for rented properties to have to undergo Portable Appliance Testing (P.A.T.) inspections on electrical appliances unless the property is an HMO (House in Multiple Occupation). However we would recommend, as good practice, that landlords consider having one completed and upon request Bowes Mitchell Estate Agents will arrange a P.A.T. inspection to be carried out by a qualified electrician at your rented property for the cost of £100 + VAT.

Inventories

We strongly recommend that landlords appoint professional inventory clerks to prepare full inventories on the condition of every item, fixture, fitting, wall, floor, ceiling, garden and balcony. An inventory should be prepared immediately prior to the commencement of a Tenancy and immediately upon its expiry.

OUR CHARGES

The Estate Agents Act 1979

Under this act we are unable to complete a tenancy agreement on your behalf unless we have proof that you have been notified of our fees. Details of our fees are set out below. By signing our terms and conditions you hereby confirm your knowledge and acceptance of our fees.

Please note that we are unable to market a property without proof of the owner's identity and evidence of their main residence.

Once we have found a tenant acceptable to you or accepted by us on your behalf commission fees are charged and due as follows:

(a) Tenant Introduction & Renewal Service

50% of the total rent + VAT reserved under the terms of the tenancy agreement payable on commencement, with a minimum fee of £250 +VAT. The fee is payable in full upon receipt of a signed tenancy agreement sent by us from the Tenant.

In the event that a new tenancy is entered into with the same tenant upon expiry of the initial term and administration fee of £50 + VAT is charged.

(b) Full Management Service

In addition to the commission chargeable for the Tenant introduction and renewal service detailed above a minimum monthly fee of £60 + VAT, plus the charges listed in the above.

(c) Guaranteed Rent Collection Service

Collection of rent from the Tenant and arrange for the rent, less our fees calculated at 3% (subject to a minimum of £25) per month + VAT to be paid into an account nominated by you.

Should you sell the property to a tenant introduced to you by us or to any third party directly or indirectly associated with such tenant during or at any time in the period of 12 months after the tenant ceases to occupy the property, we shall be entitled to a commission of 1% of total sale price, payable on completion.

Unless otherwise agreed by us in writing, where possible, commission payments will be

deducted from rent payments received by us from the Tenant(s).

If for any reason additional services are required of us, such as attendance to your solicitor's office, appearances before a rent assessment committee, court or tribunal, or involvement in any matters of litigation, a separate fee will be chargeable to you.

All our fees and commission are subject to VAT at the rate prevailing at the time.

GENERAL INFORMATION

LEGAL/TAX ADVICE – It must be stressed that this booklet is intended as a brief guide only. Bowes Mitchell cannot be held liable for any legal inaccuracies or omissions contained herein. We advise our clients to take appropriate professional advice.

INSTRUCTIONS TO SOLICITORS – You, as the Landlord, will be informed of any arrears or breaches of the Tenancy brought to our attention. However, if legal action is required, you will be responsible for instructing your own Solicitor and for all fees involved.

LANDLORDS RESPONSIBILITIES – The rental quoted to prospective tenants is inclusive of all outgoings for which landlords are legally responsible. This includes the payment of ground rent, service charge/maintenance costs, buildings insurance, mortgage repayments etc. The landlord is responsible for informing the relevant authorities of any change of tenancy (e.g. Water Rates and Council Tax).

DATA PROTECTION - All information held on file will be held in line with the Data Protection Act 1998. However you hereby authorise us to provide your contact details to the Tenant/occupants of the property and to any utilities companies where appropriate. Please note that this will include all telephone numbers including mobiles unless otherwise instructed in writing by the Landlord.

HOUSES IN MULTIPLE OCCUPATION – We are unable to apply for licenses for an HMO for Landlords and strongly recommend that if your property meets the criteria of being an HMO you ensure you have complied with the new legal requirements as the penalties are severe. In brief as a guide your house may be a licensable HMO if you have five or more person residing in the property, which consists of two or more families, and the house is three or more storeys (including habitable basements). If you are in any doubt as to whether your property is an HMO and further information is available on the government website. Please note, criteria for HMO's may vary between local authorities. It is your responsibility to ensure compliance with the relevant legislation.

CHANGES IN TERMS – We reserve the right to change the terms and fees quoted in this agreement upon giving one month's notice in writing.

POSSESSION – Section 21 of the Housing Act 1988 provides Landlords with rights of repossession at the expiration of an assured shorthold tenancy provided the Landlord has given the Tenant at least two months' notice stating that repossession is required. Similarly two months' notice is required to gain possession of Ground 1 Assured Tenancies and Statutory Periodic Tenancies. It is therefore imperative that a Landlord intending to repossess their property at the expiration of a tenancy gives appropriate notice in the prescribed form in writing prior to the expiration of the tenancy.

REFERENCES – Unless specifically instructed otherwise (and agreed by us in writing) all references for tenants will be obtained from a specialist referencing company. We cannot be held liable for information obtained from any referencing agency. We cannot guarantee the accuracy of any reference, nor can we accept any responsibility resulting from the non-disclosure or inaccuracy of facts from the reference provider. Notwithstanding the obtaining of references, the final decision as to whether the tenant is suitable is yours. You may require the provision of a guarantee in addition or in substitution to satisfactory references being provided. This is, however, a matter for you to arrange should you so require. Copies of all references are available to Landlords upon request.

RENT COLLECTION AND REMITTANCE – Rent payments are to be made up to a maximum of 3 working days after the date of receipt. We aim to reduce this period to a minimum wherever possible.

TAXES ACT 1988 AND TAXATION OF INCOME FROM LAND (NON RESIDENTS) REGULATIONS 1995

You, as the Landlord, are responsible for notifying HM Revenue and Customs of the tenancy. Where the Landlord of a property resides abroad, HMRC will hold us, as your Agents, responsible for the payment of any tax liability which arises on rents collected by us on your behalf, unless an Exemption Certificate is provided by HMRC pursuant to the Finance Act 1995. Bowes Mitchell Estate Agents can supply you with any Exemption Certificate application form (currently NRL1) for you to complete and send to HMRC. However, the Certificate can take up to two months to be issued. Accordingly, if you, as the Landlord, are resident abroad it will be necessary for us to deduct monies at the appropriate rate and hold such an amount so deducted to your credit until either an Exemption Certificate has been received or until these monies are forwarded to HMRC which we are now obliged to do on an annual basis.

Similarly, if at the present you live within the UK but subsequently move abroad, it will be necessary for us to commence this deduction from the time you leave this country. The monies deducted will be placed in a current account and will not earn interest on your behalf. The eventual liability for tax may be less than the amount forwarded to HMRC. In this event you must liaise with HMRC directly and Bowes Mitchell Estate Agents will not be liable for any refunds. You must let us know as soon as possible who will be dealing with your tax affairs in this country. Should you at present reside within the UK but subsequently move abroad, please let us know the name of your Accountants or Tax Advisers at that time.

RENT ASSESSMENT – Under certain circumstances tenants may apply to the Rent Assessment Committee to have their rent assessed. The Committee may determine a rent higher or lower than the agreed amount. Bowes Mitchell Estate Agents are unable to accept responsibility for any claim arising out of such an assessment, which becomes the maximum rent recoverable for the term of the tenancy.

COURTS AND TRIBUNALS – Applications for fair rent of appearance before the Rent Officer, Rent Assessment Committee or any other court or tribunal will be by special arrangement only and will form the subject of an additional charge of £60 plus VAT, per hour.

WAITING AT PROPERTIES – In the event that you instruct a contractor to attend the property who is unable to collect keys from Bowes Mitchell Estate Agents or give a specific date and time of call, we will charge waiting time at the property of £60 plus VAT, per hour.

LANDLORD AND TENANT ACT 1987 – We are obliged to include your name and address on all rent demands to tenants. If your address is outside England and Wales, then must provide the Tenant with an address within England and Wales to which notices (including notices in proceedings), may be served to you. Unless otherwise instructed, if your address is outside England and Wales, we will use the address of Bowes Mitchell Estate Agents for this purpose during such period as we manage the Property. Although we will use our best endeavours to forward any notices to you promptly. Bowes Mitchell Estate Agents cannot accept liability for any loss or damage incurred either directly or indirectly from our actions in this respect.

TENANCY DEPOSITS

The Tenancy Deposit Scheme (TDS), commenced on 6th April 2007 under the Housing Act 2004. The Act requires anyone – Landlord or Agent – who accepts a deposit for an Assured Shorthold Tenancy, to belong to a designated scheme to protect the deposit. Under the Scheme, disputes arising regarding the allocation of the deposit at the end of

the tenancy will be handled by a process known as Alternative Dispute Resolution, or by the Courts if the parties so prefer.

Existing tenancies (before 6th April 2007) will not be affected, nor will periodic tenancies which continue after that date. However, a tenancy commenced before, but renewed after, the 6th April 2007 is required to be included in the Tenancy Deposit Scheme.

Bowes Mitchell Estate Agents are able to assist with the securing of the tenants deposit in either of the following schemes or you, the Landlord, can choose to secure the deposit yourself.

Insurance-based Scheme (TDS – Tenants Deposit Scheme – [tds.gb.com](https://www.tds.gb.com))

You, as Landlord, are allowed to hold the deposit but you must pay a fee. The scheme administrators take out insurance so that the deposit can be refunded to your Tenant if you do not repay him the deposit. Bowes Mitchell Estate Agents operate the Tenancy Deposit Solutions Limited Scheme. This scheme is owned jointly by the National Landlords' Association and Hamilton Fraser Insurance, and is aimed mainly at Landlords. For more information please visit: <https://www.tds.gb.com>. We will organise the payment of your tenant's deposit under this scheme.

The Custodial Scheme (DPS – The Deposit Protection Service)

Presently, there is only one custodial scheme, which is run by The Deposit Protection Service Ltd. You, as Landlord, pay the deposit money to the scheme administrators, who then pay it to you or return it to the Tenant, as appropriate, at the end of the Tenancy. For more information please visit: <http://www.depositprotection.com>

DAMAGE DEPOSITS – These will normally be equivalent to a minimum of one month's rent. Where we are managing a property, we will, subject to managing from the commencement of a tenancy, give our professional advice on any proposed deductions from the deposit in line with the Tenancy Agreement and Inventory "check out report", to the best of our ability. Should these suggestions not be acceptable to both the Tenant and the Landlord, the deposit will be arbitrated in line with the TDS. Please note we will endeavour to be accurate with assessing costs but cannot be held responsible for incorrectly pricing damages or losses (especially personal artefacts, unusual items or antique pieces), as we are not specialists in this field. Once agreement has been reached on any deductions or replacements or compensation, the damage deposit will be dispersed accordingly.

Energy Performance Certificates (EPC's)

From 1st October 2008, landlords in England and Wales will be required by law to provide their new tenants with an Energy Performance Certificate (EPC). The landlord is responsible for ensuring a valid certificate is made available, even if a letting agent is managing their property. Once the certificate has been issued it is valid for 10 years, subject to any further legislation being introduced. Please note there will be a charge of £50 + VAT.

Assignment

We may, at any time assign (absolutely or by way of security and in whole or in part), transfer, mortgage, charge or deal in any other manner with the benefit of any or all of any obligations or any benefits arising under or out of this agreement. We may subcontract or delegate in any manner, any or all of our obligations under this agreement to any third party agent.

The Consumer Contract Regulations 2013 and cancellation of this agreement

This clause only applies if you are acting for a purpose outside your business and the agreement between us is a distance or off-premises contract as defined in the Consumer Contracts (Information, Cancellation and Additional charges) Regulations 2013. The definitions of distance and off premises contracts found in those Regulations shall apply to these terms and conditions. Broadly, a distance contract is a contract between the trader and a consumer which is made through an organised distance sales scheme (such as telesales or internet sales).

An off-premised contract is broadly a contract entered into in a place which is not the business premises of the trader.

You have the right to cancel this contract within 14 days without giving any reason. The cancellation period will expire after 14 days from the date on which the contract is entered into.

To exercise the right to cancel, you must inform us of your decision to cancel this contract by a clear statement (e.g. a letter sent by post, fax or email). Please note our contact details above. You may use the attached cancellation form but it is not obligatory. To meet the cancellation deadline, it is sufficient for you to send your communication of cancellation before the cancellation period has expired.

If you cancel this contract, we will reimburse to you all payments received from you. We will make the reimbursement without undue delay and not later than 14 days after

the day on which we are informed about your decision to cancel this contract.

We will make the reimbursement using the same means of payment as you used for the initial transaction, unless you have expressly agreed otherwise, in any event, you will not incur any fees as a result of the reimbursement.

After expiry of the cancellation period you may cancel this agreement at any time by providing us with a least 30 calendar days' notice in writing. We may cancel this agreement at any time by providing you with at least 30 calendar days' notice in writing. We may cancel the contract for Services at any time with immediate effect by giving you written notice if you do not pay our charges in accordance with these terms or you materially breach any of these terms and do not remedy the situation within the 14 days of us requesting you to in writing.

Cancellation Form

To Bowes Mitchell Estate Agents, 172 Benton Road, Benton, Newcastle upon Tyne, NE7 7UH
(email: lettings@bowesmitchell.com)

I/We
.....

hereby give notice that I/We intend to cancel my/our contract for the supply of

marketing services in relation to the property situate:

(address)

.....

.....

.....

With effect from (date)

.....

Landlord's

Name(s).....

.....

.....

Address.....

.....

.....

.....

Signature(s)

.....

.....

.....

Date.....

.....

CONFIRMATION OF ACCEPTANCE

I/we expressly request Bowes Mitchell Estate Agents to commence performance of the services as soon as reasonably practicable. I/we acknowledge that if Bowes Mitchell's Estate Agents marketing services are completed within the cancellation period as described I/we will lose the right to cancel described. In order for the right to cancel to be lost in this way, it is not necessary for any prospective tenant for the property to have been introduced. All that is required is for Bowes Mitchell Estate Agents to have fully performed its marketing services. I/We also consent to receiving the information included in these terms and conditions and any other pre-contract documentation by post, fax or email.

SPECIAL INSTRUCTIONS

.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

I/we hereby confirm that I/we have read and understood the Terms of Business of Bowes Mitchell Estate Agents. In particular, I have read and understand the extent and nature of the core service is to be provided to me and agree and accept the charges to be made for those services as detailed.

I/we hereby certify that I/we own the property known as:

Property address:
.....
.....
.....
.....

I/We require the following services (please tick as appropriate) and authorise Bowes Mitchell Estate Agents to let the property at the address state above, on the above mentioned terms.

- Tenant Introduction Service Fee Payable – half a months rent Plus VAT
- Full Management Service Fee Payable_____ Plus VAT
- Guaranteed Rent Collection Fee Payable_____ Plus VAT

Is the property FURNISHED OR UNFURNISHED (Circle where appropriate)

Tenants acceptable:
DSS
PETS
SMOKERS
CHILDREN
STUDENTS

I/We confirm that for Tax purposes I/we will be: (please initial as appropriate)

- Resident in the UK

- Non Resident and my unique tax reference number is

I have received a copy of Bowes Mitchell Estate Agents Terms and Conditions of Business

Name(s) of all owner(s):

(1)

.....
...

(2)

.....
.....

Signature

(1)

.....Date.....

Signature

(2)

.....Date.....

Correspondence

Address:

.....

Contact

Number(s).....

Email

Address

.....

Bank Details (where the rent is to be paid to):

Account Name..... Bank Name:
.....

Account No. Sort Code:
.....

Does the property have an Energy Performance Certificate
YES/NO

Do you want Bowes Mitchell to arrange for an Energy Performance Certificate YES/NO

Do you want Bowes Mitchell to arrange a Gas Safety Certificate
YES/NO/NA