

# TERMS OF BUSINESS FOR RESIDENTIAL LETTINGS & MANAGEMENT ('TERMS')



These Terms set out the agreement between (1) you ('you' or 'your') and (2) Proper Local Limited t/a "Proper Local" ('us', 'we' or 'our') under which we will act as agents for you in connection with the letting of your Property. These Terms are, necessarily, quite detailed and precise. If you require clarification, please contact us by return. Please otherwise complete, sign and return these Terms, Confirmation of Instruction and Landlord(s) Declaration to us to indicate your acceptance of the same. Copies should be kept for your records.

Proper Local Limited trading as Proper Local. Company Registered Number: 10190760 (registered in England and Wales). Registered Office: Sigma House, Oak View Close, Edginswell Park, Torquay, Devon, TQ2 7FF. We are a member of The Property Ombudsman ('TPO') and abide by the TPO Code of Practice. You agree that we may disclose information relating to the letting of your Property to TPO, if you have registered a complaint and TPO asks for it. You also agree that we may disclose your contact details to TPO to assist in their monitoring of our compliance with the Code of Practice.

**It is important that you read these Terms, which include terms as to our entitlement to fees and commissions as well as YOUR LEGAL OBLIGATIONS AS LANDLORD in full before completing the Confirmation of Instruction and Landlord(s) Declaration.**

In these Terms various words, which are identified using capital letters to start them, have specific meanings which may be more extensive than you would otherwise expect. Definitions of these words are set out on the "Definitions" (page 9) they should be read in conjunction with the other clauses in these Terms.

**In return for our Services, whether that is letting, renewal or property management, you will pay us a Commission Fee which will be based on the commission rates set out in the Confirmation of Instruction Form attached to these Terms. There are also a number of additional costs and Charges identified in these Terms that will/ may be payable by you as Landlord.**

## **1. OUR COMMISSION FEE & CHARGES**

- 1.1 Our Commission Fee and Charges applicable to the Service you have chosen are confirmed in the attached Confirmation of Instruction form. In signing the Confirmation of Instruction and these Terms you agree to the provision of Services and the Commission Fee and Charges detailed therein.
- 1.2 Our Commission Fee for our Lettings Service is charged based upon an initial 12-month tenancy and is payable in advance.
- 1.3 Our Commission Fee for our Property Management Service is collected from the Rent on a monthly basis.
- 1.4 VAT is based on the current rate of VAT. If the VAT rate changes, all amounts will be adjusted to reflect that change.
- 1.5 Our Commission Fee becomes payable once a Tenant Introduced to the Property by us signs a Tenancy Agreement which is executed, irrespective of whether or not the Tenancy is finalised by us.
- 1.6 Our Commission Fee shall include Renewal Commission where the initial Tenancy extends or holds over indefinitely irrespective of whether or not we negotiated the Tenancy, renewal, extension or holding over and where there is more than one person comprising the Tenant or Permitted Occupant will be payable in full where any or all of them remain in occupation under any renewal, extension or period of hold over. Our Renewal Commission is £895 inc VAT (£745.83+VAT) per year.
- 1.7 If the Tenant terminates the Tenancy Agreement prior to the end of the Tenancy term, and such termination is in compliance with the terms of the Tenancy Agreement (for example a break clause was included and exercised), an appropriate percentage of the Commission Fee calculated on a 12-month pro rata basis will be refunded upon written request (e.g. termination of a Tenancy in month 6 will result in a 50% refund). Please note the refund will be pro-rata of £1,800.00 inc VAT (£1,500.00 + VAT) as £95 (inc VAT) of our initial fee is used to cover referencing costs. In respect of any Renewal Commission, a pro rata refund shall only be available for 4 months from the renewal date (e.g. termination of a renewed Tenancy at the end of month 2 shall result in a 50% refund and no refund shall be payable after month 4). Please note that our fee is not refundable if you terminate the contract early.
- 1.8 Our Charges are in addition to the Commission Fee and are for additional Services confirmed in the attached Confirmation of Instruction form.
- 1.9 If the Landlord comprises more than one person, each person comprising the Landlord will be jointly and severally liable for our Commission Fee and Charges.

## **2.0 Sole Agency**

- 2.1 Where we have agreed with you that we will act as sole agent, then this will be for a period of 3 weeks starting on the date of our agreement. This means you will be liable to pay the Commission Fee to us, in addition to any other costs and Charges agreed, if at any time, unconditional contracts for letting of the Property are signed:
  - with a Tenant Introduced by us during the period of sole agency; or
  - with a Tenant with whom we had negotiations about the Property during that period; or
  - with a Tenant Introduced by another agent or any other person, including you, during this period.
- 2.2 It is important to note that, if you instruct another agent to act as well as us, you will have to pay a Commission Fee due to us under this agreement regardless of whether or not you also owe a fee to the other agent.

## **3.0 Sale of the Property**

- 3.1 Should the Property be sold or passed over with the benefit of a Tenancy in place, our Commission Fee remains payable for the duration of that Tenancy and any renewal, extension or holding over. Your solicitor must assign liability for the ongoing payment of our Commission Fee beyond the contractual date of sale to the purchaser and ensure that any necessary updates to the Tenancy Agreement, Deposit and other relevant legal documentation are prepared. In the event that your solicitor fails to do so, liability for the payment of our Commission Fee shall and Charges remain with you as the original Landlord.
- 3.2 In the event that a sale of or acquisition of an interest in the Property (whether by transfer of your interest or the granting of a lease) should be agreed to any purchaser introduced by us or with whom we have had negotiations in relation to the

Property, we shall be entitled to make a Charge of £6,000 inc VAT (£5,000+VAT) in accordance with our "Terms of Business for Residential Sales" (available upon request).

#### **4.0 OUR LETTING & MANAGEMENT SERVICE**

##### **4.1 The Tenancy**

###### **4.1.1 Permissions & Consent**

4.1.2 In signing these Terms you confirm that you are the sole or joint owner of the Property and have the legal right to let the Property under the terms of any mortgage or head lease and hold all necessary planning and other statutory permissions.

4.1.3 In the case of joint ownership, you hereby confirm that all owners (as they appear on the title deeds of the Property) will be named on the Tenancy Agreement and that, if signing on their behalf, this will be by way of a Power of Attorney created (as a deed).

##### **4.2 Tenancy Agreements**

4.2.1 Where instructed to prepare Tenancy Agreements, we can make limited amendments to confirm what has been agreed between you and the Tenant, usually by way of adding supplementary clauses. Where wider ranging changes to the main terms of the Tenancy Agreement are required, you should instruct a solicitor to prepare a bespoke Tenancy Agreement at your own expense.

4.2.2 Where you provide your own Tenancy Agreement, whilst able to pass it to the Tenant for signing, we are unable to comment on its suitability or to make amendments to it.

4.2.3 Where the Tenant provides his own Tenancy Agreement, we recommend that you seek advice from a solicitor. We are unable to comment on its suitability or to make amendments to it.

##### **4.3 References**

4.3.1 Where appropriate, references will be obtained on your behalf on prospective Tenants (including their right to reside in the UK) and their guarantors utilising the services of an independent referencing agency.

4.3.2 Reasonable care will be taken when instructing an independent referencing agency on your behalf and when accepting and passing documentation provided by the Tenant over to them, but we accept no liability for: any failure on the part of the independent referencing agency; the Tenant in misrepresenting their identity or failing to meet their obligations under the terms of the Tenancy, or for any breaches of the Immigration Act 2014 by you.

4.3.3 Such references will, where applicable, be passed to you in order to help you decide whether or not those at the Property have the right to in the UK and to meet their obligations under the terms of the Tenancy. In authorising the Tenancy, you are deemed to have approved the references and granted consent for the Tenancy.

4.3.4 Our Fee includes the cost of referencing four (4) tenants or guarantors (maximum 4 separate references). Should a Tenant (or group of Tenants) fail referencing and a proposed tenancy not proceed then you will become liable for the cost of the references at £25 (inc VAT) per reference. However, if references fail on the basis of a Tenant(s) supplying deliberately misleading or fraudulent information then the cost for the references will be taken from the Tenants' Reservation Deposit.

##### **4.4 Inventory**

4.4.1 Prior to commencement of the Tenancy it is essential that a professional independent Inventory and Schedule of Condition ("Inventory") is conducted and we will arrange this for you. In most instances the Inventory company we use will charge a combined Inventory & Check in fee and this cost will be met by you. You will also be liable for the cost of the check out. Costs for inventory services will be provided by us in advance and are also available on request.

4.4.2 Due to the Tenant Fees Act 2019 it is unlawful to charge a Tenant any kind of fee relating to a tenancy. This includes check in or check out costs associated with an inventory and schedule of condition. We strongly advise that a check out report is conducted by the same company which compiled the inventory and schedule of condition.

4.4.3 In the absence of a professional independent inventory, you may be unable to claim compensation from the Tenant for any loss or damage suffered at the Property and we accept no liability for any loss or damage suffered under these circumstances.

4.4.4 Reasonable care will be taken when instructing an independent inventory clerk on your behalf but we accept no liability for any error or omission on their part.

##### **4.5 Deposit**

4.5.1 We will collect and hold a Deposit from the Tenant as Stakeholder against any unpaid Rent, bills, dilapidations and any costs or losses and/or liability of the Tenant under the Tenancy Agreement by the Tenant.

4.5.2 We are members (agent ID 1753818) of the Deposit Protection Service, a trading name of Computershare Investor Services Plc, authorised and regulated by the Financial Conduct Authority. Registered address: The DPS, The Pavilions, Bridgwater Road, Bristol, BS99 6AA.

4.5.3 We will protect the Deposit under the Terms of The Tenancy Deposit Scheme to ensure you are compliant with the deposit requirements of the Housing Act 2004. We do not charge for this service.

4.5.4 At the end of Tenancy we will instruct an inventory clerk to conduct a check-out report (at your expense), and on receipt of the report we will make suggestions to you regarding deductions (if any) to be taken from the Tenant's Deposit.

4.5.5 If a dispute arises at the end of the Tenancy, where appropriate, the Tenancy Deposit Scheme can be requested to arbitrate.

4.5.7 We have no liability for any loss suffered if you hold the deposit and/or if you fail to comply with the Terms of The Tenancy Deposit Scheme. You agree to indemnify us for any loss or damage suffered in relation to you holding the deposit/ or any failure to comply with the relevant statutory requirements.

##### **4.6 Keys**

4.6.1 When instructed to let & manage the Property it is essential that we either hold a set of keys (including access fobs and remote controls) in our secure key system, or a full set of keys is held by a concierge at the Property.

4.6.2 We confirm and you hereby confirm your understanding that keys held, including those held by a porter or concierge at the Property, will be used by our staff and approved contractors and released to any third party requiring legitimate access, including but not limited to your preferred contractors. We have no liability for any loss or damage suffered as a result of such third party access.

#### **4.7 Utilities & Council Tax**

- 4.7.1 At the commencement and end of the Tenancy we will contact the utility companies who supply the Property, supplying meter readings and the tenants contact details.
- 4.7.2 At the commencement and end of the Tenancy we will contact the local authority to advise of occupier names and start and end of Tenancy dates accordingly.
- 4.7.3 We are not and cannot be held liable if services are disconnected or are not transferred by the utility companies.
- 4.7.4 Where the Property is served by a community/ communal heating/ hot water system, you warrant to furnish us with written details for inclusion within the Tenancy Agreement. We accept no liability for any loss suffered by you as a result of the Tenant failing to pay such sums as may be due for the provision of heating and/or hot water during the Tenancy.
- 4.7.5 We confirm and you understand that responsibility for registration of the discharge of effluent from septic tanks and sewerage treatment plants remains your responsibility. Further information is available at [www.environmentagency.gov.uk](http://www.environmentagency.gov.uk).

#### **4.8 Property Visits**

- 4.8.1 We will visit the property on or around the sixth month of the Tenancy and six-monthly thereafter for the duration of the Tenancy. We do not charge for this service. Additional property visits requested by you will be chargeable at £100+VAT per visit, plus reasonable travel expenses.
- 4.8.2 It must be understood that these visits can only provide a superficial examination and are not intended to be a structural survey or inventory check. We do not accept responsibility for any hidden or latent defects.

#### **4.9 Maintenance**

- 4.9.1 We will maintain the property on your behalf when issues brought to our attention by you or the tenant, or as a result of a visit to the property. We cannot be held responsible for issues which have not been brought to our attention.
- 4.9.2 We will carry out maintenance items of a value of less than £250 when we hold a sufficient float without prior reference to you, but will account to you in the monthly statement.
- 4.9.3 We cannot undertake to meet any outgoings beyond the available funds held by ourselves.
- 4.9.4 We will obtain estimates for your consideration for any major repairs or maintenance over £250 and submit them for approval prior to the commencement of the works.
- 4.9.5 Where any works to be carried out form part of the refurbishment or redevelopment in excess of £1,000, a charge of £100+VAT will be made by us for the provision of estimates for your consideration.
- 4.9.5 Should you instruct us to proceed with any refurbishment or redevelopment works in excess of £1,000, a charge of 10%+VAT of the works' value will be made by us for project management of these works.
- 4.9.6 In emergencies and when we consider it necessary, we will act to protect your interest without consultation.

#### **5.0 Float**

- 5.0.1 It is mandatory that we hold a float of £250 in order that tradespeople can be paid swiftly in instances where your account is not in credit.
- 5.0.2 We will deduct £250 in full from the first month's rent if there is a sufficient balance, and deduct any balance owing from the second month's rent.
- 5.0.3 We will maintain a float of £250 for the duration of the Tenancy and make deductions from the Rent accordingly.
- 5.0.4 The balance of the float held will be returned to you when the Tenancy Ends.

#### **5.1 Rental Collection**

- 5.1.1 We will collect the Rent in accordance with the terms of the Tenancy Agreement.
- 5.1.2 We will deduct our Lettings Commission from the first rental payment. If the Commission exceeds the first rental payment the balance will be deducted from the second rental payment, and the third rental payment if the second rental payment is not sufficient.
- 5.1.3 We will collect our Property Management Charge from the Rent each month.
- 5.1.4 For the avoidance of doubt, we may at any time, without notice to you, set off any Rent/monies received against any Commission Fee & Charges without limiting or affecting any other rights or remedies available to us under these Terms or otherwise.
- 5.1.5 Where Rent is outstanding we will pursue the tenants for the outstanding amount and offer general advice on next steps to be taken but cannot undertake legal proceedings on your behalf. We do not accept any liability for rent arrears or breaches of the Tenancy Agreement.
- 5.1.6 Where you have an insurance policy providing rent and/or legal protection (guarantee), you should notify your insurer as soon as possible where Rent is outstanding. We will not notify your insurer when rent is outstanding (including where we introduced the insurer to you) and cannot accept liability for loss sustained as a result of your breach of the terms of cover.

#### **5.2 Client Monies**

- 5.2.1 Client Money Protection (CMP) is provided by Client Money Protect ([www.clientmoneyprotect.co.uk](http://www.clientmoneyprotect.co.uk)).
- 5.2.2 We confirm and you understand that client monies, including: Rent, float, tax deductions and Tenant Deposits will be held in and/or pass through a client account(s) with any interest that accrues being retained by us to offset our costs in relation to handling client monies. It is further understood that client monies may be held in a client account(s) to which there is no instant access. In such cases early repayment costs will be met by us. For details of the relevant account(s) where client monies are held, please contact us at [weare@properlocal.co.uk](mailto:weare@properlocal.co.uk)
- 5.2.3 We endeavour to transfer monies received and due to you (less any deductions due under these Terms) within 5 working days of receipt. On occasion it may take up to 10 working days for funds to clear and then be processed, allocated and transferred.
- 5.2.4 We make no charge for transferring funds by Bankers Automated Clearing Services (BACS). Where we are requested to make a same day Telegraphic Transfer (TT) to either a UK bank account or an account outside of the UK the Charges levied shall be charged to and are payable by you.

#### **5.3 Third Party Suppliers and Companies**

- 5.3.1 We will liaise, when instructed to do so by you, with your accountants, solicitors, superior landlords, managing agents, mortgagors and insurance companies.

5.3.2 Where instructed by you and as long as we hold sufficient funds to do so, we will pay ground rents, service charges, standard council tax, water rates, insurance premiums and any regular outgoings out of the rental income, as and when demands are received. Although we shall do our best to query any obvious discrepancies, it must be understood that we are entitled to accept and pay, without question, demands and accounts that we believe to be in order. In particular, we do not accept responsibility for the adequacy of any insurance cover or for the verification of service/maintenance charge demands where applicable.

5.3.3 Upon the termination of the tenancy, we will notify these suppliers and companies requesting transfer of the responsibilities for the service of accounts back to you. We cannot be held liable should these companies cut off services for whatever reason.

#### **5.4 At Renewal**

5.4.1 We will contact you and the Tenant prior to the end of the Tenancy to endeavour to negotiate an extension of the Tenancy Agreement.

5.4.2 In the event of a renewal we will prepare and draft a Memorandum of Renewal. Should there be any changes to the agreed terms, save for the alteration to the value of the letting, either by negotiation or a change in legislation, we will prepare a Renewal Tenancy Agreement.

5.4.3 Our Commission Fee for Renewal Commission will be charged on extensions or periods of holding over of the Tenancy (whether the renewal, extension or period of holding over is by a Tenant or Permitted Occupant), whether on a fixed term or periodic basis, irrespective of whether or not we have negotiated the renewal, extension or period of holding over.

5.4.4 Where there is more than one person comprising the Tenant or Permitted Occupant, the Commission Fee in the form of Renewal Commission will be payable in full where any or all of them remain in occupation after any renewal, extension or period of hold over.

#### **5.5 Ending the Tenancy**

5.5.1 You must provide at least 12 weeks written warning to us of your intent to end the Tenancy either at the end of the fixed term, or any extension thereof, or according to the break clause. We cannot be held responsible for any delay in obtaining possession if insufficient time is allowed for service of the possession notice, or if you prepare and serve notice yourself.

5.5.2 Should you request a notice for possession to be served, we will arrange on your behalf the service of the most appropriate form of possession notice on the Tenant to require vacant possession of the Property. Such notice will only be served in accordance with the Terms of the Tenancy Agreement and, on occasion, independent legal advice may also be required at your own expense.

5.5.3 The Deregulation Act 2015 prevents you from serving a Section 21 (Housing Act Tenancies only) within the first 4 months of a tenancy. You understand that where a Housing Act Tenancy is for a fixed term of 6 months or contains a Landlord break clause at 6 months, that notice, where served correctly, will expire some days after an initial 6 months have elapsed. You also understand that a Section 21 Notice may not be valid where there is no EPC or Gas Safety record (where applicable) at the Property and / or where a "How to Rent Guide" was not provided in writing to the Tenant and where smoke detectors and carbon monoxide alarms have not been installed. <https://www.gov.uk/government/publications/how-to-rent>

5.5.4 The Deregulation Act 2015 stipulates that a valid Section 21 Notice (Housing Act Tenancies only) cannot be served where: the Tenant has made a written complaint to you regarding the condition of the property before service of the Notice; you have not provided an adequate response within 14 days or the Tenant has complained to the local authority which has served an improvement Notice or Emergency Remedial Notice.

5.5.5 We accept no liability for losses incurred by you in connection with Section 21 Notices that are not deemed to be valid for whatever reason.

#### **5.6 Void Periods**

We do not manage your Property between tenancies and cannot be held liable for any loss and/or damage arising from fire, flood or theft. Should you require supplies to be turned off or disconnected during this period we must receive formal notification in writing to this effect and we will arrange for a plumber to attend at your expense. You are further advised to contact your insurance company should the property be empty for longer than thirty (30) days.

#### **5.7 Overseas and Non-Resident Landlords**

5.7.1 You should obtain approval/exemption from HMRC in order that we pay the Rent to you with no tax deductions. Details of the scheme and the form you need to complete can be found here: <https://www.gov.uk/government/publications/non-resident-landlord-application-to-receive-uk-rental-income-without-deduction-of-uk-tax-individuals-nrl1>

5.7.2 Where you have not obtained approval/exemption we are obliged by law to deduct tax at the appropriate rate from rents received and account to the Inland Revenue for these monies on a quarterly basis.

5.7.3 Landlords are responsible for obtaining their own "Exemption" and should note that any "Exemption" received is not transferable. It should be noted that no interest is paid to landlords on tax retentions held by Us. Where a landlord is considered non-resident for taxation purposes and is not in possession of an exemption from HMRC a charge of £75+VAT will be made for the work carried out in submitting the quarterly, and £100+VAT for the annual, returns and the preparation of final certificates.

5.7.4 For further details of the Non-Resident Landlord Regulations please see clause 12 *YOUR LEGAL OBLIGATIONS AS LANDLORD* below, or speak with one of the team.

#### **5.8 Insurance**

You confirm that your insurance company has consented to extend cover on the Property and its contents for the duration of the Tenancy, such cover to include third party and Occupiers liability risk.

#### **5.9 Legal Proceedings**

5.9.1 We are not responsible for any legal steps for the recovery of rent and/or repossession of the property. Applications for rent or appearances before any Court or Tribunal will be by special arrangement and our fee for any such attendance shall be £400 per day or part thereof per employee.

5.9.2 We will not accept service of legal proceedings on the landlord's behalf.

## **6.0 Miscellaneous Terms**

### **General**

6.0.1 These Terms, the Confirmation of Instruction and Landlord(s) Declaration forms constitute the entire written agreement between the parties and supersede any previous agreement or understanding. All other terms and conditions, express or implied by statute or otherwise, are excluded to the fullest extent permitted by law.

6.0.2 No failure by us in exercising any of our rights under these terms of engagement shall be deemed to be a waiver of any breach of these terms of engagement or any subsequent breach by you. No amendments or variation to these Terms will have any contractual effect unless agreed in writing by us.

6.0.3 We reserve the right to assign or sub-contract the Services we provide to a third party (subject to your prior agreement in writing where appropriate), if at any stage we consider that it may be of assistance in effecting a let. In doing so, we shall ensure your rights under these Terms will not be prejudiced.

6.0.4 We offer a wide variety of property related services and may offer these services to you. We may receive and retain a commission from other contractors or services provided to you either by themselves or as a result of referrals to other organisations providing property related services such as finance, repairs, renewals, removals, furnishings, utilities etc. Any commission/fee is levied against the contractor and not you.

6.0.8 You agree that the copyright in all particulars, brochures, photographs and other promotional materials prepared by or at our direction shall belong to us. Where photographs are provided to us by you for particulars, brochures and other promotional material, you confirm that you own the copyright of those photographs, including those taken by third party photographers. You shall indemnify us against any third party claims made against us in connection with the copyright of photographs used in any of our promotional material.

### **6.1 Exclusion of Liability**

6.1.1 Our Services will be provided using diligence and care. We cannot give any warranty or guarantee regarding the quality, fitness for purpose or otherwise of a Tenant or for services provided by a third party and cannot accept liability for any failure on their part.

6.1.2 Our entire liability in respect of Services provided shall not exceed £25,000.

6.1.3 Each condition in these Terms excluding or limiting liability operates separately. If any provision or part of a provision is held by a court to be unreasonable or inapplicable, the other parts shall continue to apply.

6.1.4 Force Majeure shall not entitle either party to terminate this agreement and neither party shall be in breach of this agreement, or otherwise liable to the other, by reason of any delay in performance or non-performance of any of its obligations, due to circumstances beyond its control.

### **6.2 Serving of Notices**

If either party delivers by hand a notice or document which is necessary under these Terms or any Act of Parliament, to the other party by 5pm to the last known address of the other party, such notice or document will be deemed delivered on the next working day (which excludes Saturdays, Sundays and Bank Holidays). If a notice or document is sent by registered post or recorded delivery, the notice or document will be deemed delivered upon proof of delivery being obtained. If the notice or document is sent by ordinary first class post addressed to the other party, or the last known address of the other party, the notice or document will be deemed delivered 2 working days later (which excludes Saturdays, Sundays and Bank Holidays). The address for service for you will be the contact address specified in the Confirmation of Instruction Form and our address for service is Proper Local Limited, 40 Bank Street, London, E14 5NR.

### **6.3 Termination & Suspension**

6.3.1 We reserve the right to suspend the provision of our Services in the event any payments from you are outstanding. We shall not be obliged to continue to provide our Services until full payment of any outstanding amount has been made. We will not be liable for any loss suffered by you during any period of suspended service.

6.3.2 We reserve the right to terminate the Services we provide in the event that you commit a breach of these agreed Terms or discriminates against any applicant, tenant or employee or sub-contractor of Proper Local for gender, race, age, disability, religious belief or sexual orientation.

6.3.3 You may terminate our appointment under this Agreement during the period of the Tenancy only if there a Fundamental Breach of Obligations by us. This entitlement to terminate is subject to you first providing us with written notice of the Fundamental Breach of Obligation and the steps required to remedy such breach and giving us 14 clear days to remedy the breach.

6.3.4 If we are unable to remedy this breach, or our relationship is no longer viable, then we or you must give to the other three months' notice to terminate this agreement. You will remain liable for any Lettings or Renewal commission during the notice period.

### **6.4 Rights to Cancel for Consumers**

6.4.1 Where these Terms are not signed within our offices, you may have the right to cancel this agency agreement under the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 within 14 days of the date upon which it was signed. Notice of cancellation MUST BE IN WRITING and should be delivered or sent to Proper Local Limited, 40 Bank Street, London, E14 5NR; or by email to [weare@properlocal.co.uk](mailto:weare@properlocal.co.uk). Notice of cancellation is deemed to be served as soon as it has been delivered, posted or sent. For further details or should you wish to cancel, you may use our Notice of Cancellation form found below.

6.4.2 If work on this agency agreement has begun before the end of the cancellation period, you may be required to pay for any goods or services supplied, including any Expenses. The signing of this agency agreement shall be treated as a request by you for us to commence performance of the contract prior to the end of the cancellation period.

### **6.5 Disclosure of Information**

6.5.1 We comply with the data protection laws in the United Kingdom and take all reasonable care to prevent any unauthorised access to, or use of, your personal data.

- 6.5.2 The personal details that we use to provide or promote our products and services (for example your name, telephone number, or details of the services the Landlord uses), as well as any information taken from you (for example during the course of our dealings with you, when you use our website etc.) will not be passed to any organisations, save for where confirmed otherwise in these Terms. Your details may, on occasion, be shared with approved contractors or agents in order to provide you with products and services you have requested.
- 6.6 Money Laundering Regulations**
- 6.6.1 It is our standard practice to verify the identity of all of our clients and so we shall ask you to provide proof of ID, copies of which are retained on file. We may consider it appropriate to make disclosures to the National Crime Agency if there is any evidence or suspicion of money laundering.
- 6.6.2 As part of best practice, we reserve the right to undertake electronic verification to confirm your identity and residence by using third party electronic verification. If this is ineffective we will require you to supply us with photographic identification and proof of residence.
- 6.7 Complaints**
- We aim to give the best service possible. If you are unhappy with our service please let us know as soon as possible by contacting us at Proper Local Limited, 40 Bank Street, London, E14 5NR, or alternatively, by email to [weare@properlocal.co.uk](mailto:weare@properlocal.co.uk) We are regulated by The Property Ombudsman. Further information, including codes of conduct (where applicable), is available at: [www.tpos.co.uk](http://www.tpos.co.uk)
- 6.8 Governing Law**
- These Terms shall be governed by and construed in accordance with the laws of England & Wales, and each of the parties submits to the exclusive jurisdiction of the English Courts.
- 6.9 Incorrect Information**
- You confirm that all the information provided to us is correct to the best of his knowledge and belief. In the event that you provide incorrect information to us, which causes us to suffer loss or causes legal proceedings to be taken, you agree to reimburse and compensate us for all losses suffered.
- 6.10 Digital Signatures**
- You agree to the use of digital signatures. The purpose of signatures is to ensure that in compliance with section 7 of the Electronic Communications Act 2000 these are valid and admissible evidence. Our service provider subscribes to secure information and properly processes it in accordance with the Electronic Commerce (EC) Directive Regulations 2002. You agree that this Agreement and any associated agreements in relation to the Property may be signed electronically.
- 6.11 Amendments & Variations**
- We reserve the right to change the schedule of commission of, fees and charges and the clauses contained within these Terms. We will notify you in writing of any such changes.
- 6.12 Commissions from Third Parties**
- Any commissions, interest or other income earned by us, for example by referrals to contractors, brokers or inventory clerks, while carrying out duties as agent for the letting and/or management of the property will be retained by us
- 6.13 Tenant Fees Act 2019**
- The Tenant Fees Act 2019 prescribes that it is unlawful to charge a Tenant any kind of fee relating to the creation of a tenancy, although some in-tenancy fees are permissible, such as late rent payment charges, or charges for lost keys/security fob devices.
- 6.13.1 We will take a Reservation Deposit (capped at the equivalent of one week's rent) when you accept an offer. The Tenant will also sign a Lettings Reservation Form which outlines the offer which you have accepted. The Tenant then has 15 days to complete the tenancy progression process, which includes referencing and Right to Rent checks.
- 6.13.2 The Tenants' Reservation Deposit will be RETAINED from the Tenant in full if:
- They pull out of the proposed tenancy at any time after the Reservation Deposit has been paid and before the tenancy agreement is signed.
  - They fail a Right to Rent check.
  - They provide false or misleading information (this could include deliberately mis-stating their income, or not declaring credit issues).
  - They do not enter into the agreement by the deadline. The deadline is 15 days from when the Reservation Deposit is paid.
- In all 4 of these situations, Proper Local will retain 50% of the Reservation Deposit to cover its costs, with the remaining 50% payable to you to cover lost marketing time.
- 6.13.3 The Tenants' Reservation Deposit will be RETURNED to the Tenant in full if:
- You pull out of the proposed tenancy at any time.
  - The Tenant(s) fail referencing in instances where they have not supplied false or misleading information.
- In either of these situations, you are liable for the cost of any/all reference checks which have commenced at a cost of £25 (inc VAT) per reference.

# YOUR LEGAL OBLIGATIONS AS LANDLORD

## **1.0 Energy Performance Certificate (EPC)**

- 1.1 With the exception of listed buildings, you must ensure that an EPC is provided for any property which is to be advertised for let. It should be made available in good time for us to make it available to prospective tenants prior to their first viewing or to accompany written details of the Property. We accept no liability in connection with the EPC.
- 1.2 Where the Property is subject to a Green Deal, or other similar scheme, you must provide all necessary information to ensure the scheme requirements are complied with and we will not be responsible for complying with the conditions of the scheme.
- 1.3 Under The Energy Act 2011/ Energy Efficiency (Private Rented Property) (England & Wales) Regulations 2015, from April 2016 you will be unable to refuse the Tenant's reasonable request for consent to energy efficiency improvements where a finance package, such as The Green Deal, is available.

## **2.0 Houses in Multiple Occupation (HMOS) – Housing Act 2004**

- 2.1 Your Property will require a mandatory licence if it comprises three or more storeys and has five or more occupiers who do not form one household and who share kitchen and bathroom facilities. It is your responsibility to obtain a licence and to comply with any conditions imposed by the local authority when granting it.
- 2.2 Local authorities can also enforce discretionary licencing and it is your responsibility to check whether your Property is subject to discretionary licencing. If the Property requires a licence it is your responsibility to acquire and pay for one and comply with its conditions.

## **3.0 The Gas Safety (Installation & Use) Regulations 1998**

- 3.1 You are required to ensure that all gas appliances and installations are checked annually by a Gas Safe Register registered engineer and that the Tenant must be provided with a copy of the Gas Safe Record prior to commencement of the Tenancy and within 28 days of renewal of the Safety Record. Failure to comply is a criminal offence.
- 3.2 We recommend that you remove all portable gas appliances such as barbecues and patio heaters prior to commencement of the Tenancy. Where such appliances remain they should be tested by a specialist Gas Safe Register registered engineer and appear on a Gas Safety Record.

## **4.0 The Electrical Equipment (Safety Regulations) 1994**

- 4.1 You are required to ensure that electrical appliances at the Property are maintained in good order, provided with instruction manuals and checked regularly. Appliances and electrical installations must be safe at all times.
- 4.2 We advise you to undertake an annual Portable Appliance Test if there any in the property

## **5.0 Smoke/ Carbon Monoxide Alarms**

You are required by law to install working smoke and carbon monoxide alarms in their properties. Carbon monoxide alarms will be required in high risk rooms, such as those housing boilers, solid fuel heaters and stoves, with at least one smoke detector required on each floor. These should be tested by you on the first day of each Tenancy to ensure they are in full working order. Smoke and carbon monoxide alarms should be installed and replaced in accordance with manufacture guidelines and/or the replacement label on the alarm. This is usually every seven years for smoke alarms and five years for carbon monoxide alarms.

## **6.0 Regulatory Reform (Fire Safety) Order 2005**

- 6.1 You are advised to undertake a fire risk assessment prior to the start of the Tenancy to systematically identify all fire related hazards and how they might pose danger to the Property and its Occupants.
- 6.2 We recommend as a minimum standard that you ensure safe passage from sleeping accommodation through the provision of interlinked smoke detectors along the escape route(s). These should be tested by you at the start of each Tenancy to ensure they are in full working order. Fire doors/ strips should be fitted where high risk rooms such as kitchens open onto an escape route. We also recommend the placement of a fire blanket and/or suitably classified extinguisher in the kitchen and other high risk areas.

## **7.0 The Furniture & Furnishings (Fire) (Safety) Regulations 1988 as amended 1993**

- 7.1 It is a criminal offence to let a property with upholstered furniture which cannot be proven to comply with the safety regulations. In signing these Terms, you warrant that all furniture at the Property, together with any added by you during the Tenancy, complies with the safety regulations.

## **8.0 European Standards for Safety of Internal Window Blinds**

The Standards affect any device used for internal blinds or curtain tracks. They apply to blinds which have cords or chains fitted with a hazardous loop that could create a hazard in premises where children aged between 0 and 42 months are likely to have access or be present. You should ensure that all cords and chains at the Property are checked and any that could create a hazard are replaced or fitted with a cleat or snap connector.

## **9.0 Water & Bacterial Control**

- 9.1 You must ensure risk from exposure to legionella is properly controlled. Properties that remain empty, particularly during the warmer months, those with open cold water tanks and swimming pools/ hot tubs are particularly at risk.
- 9.2 We advise you to undertake a risk assessment prior to the start of the Tenancy and maintain a written record.

## 10.0 Fall Arrest Blocks – Eye Bolts

Where not undertaken by any Block owners or managing agents, you must ensure that any Fall Arrest Blocks, “Eye Bolts”, installed within or in the vicinity of the Property are subjected to an annual inspection and certification by a person deemed competent under the relevant HAS Code of Practice.

## 11.0 The Immigration Act 2014

11.1 You are obliged to establish that anyone living at the Property aged 18 or over has the right to rent in the UK through the provision of original documents confirming that right and for you to keep records for at least 12 months after the Tenancy has ended. Where a right to rent has a time limit you should make a careful record of this and ensure this is checked again once that time limit has ended or after 12 months, whichever is the later. Further information is available at [www.gov.uk](http://www.gov.uk) by searching “Right to Rent”.

## 12.0 Overseas Landlords (Finance Act 1995)

12.1 Whilst resident overseas, you may be considered non-resident for tax purposes, but UK tax remains payable on rents received in the UK under the provisions of Section 42A of the Income and Corporation Taxes Act 1988.

12.2 You should apply to HMRC to seek consent to account for tax under self-assessment. Responsibility for obtaining approval to do so rests with you. The HMRC approval number should be provided to us prior to commencement of the Tenancy.

## 13.0 The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020

13.1 You are obliged to test the fixed electrical installations at the property every 5 years. The resultant test is an Electrical Installation Condition Report (EICR)

13.2 The tenant may seek evidence that the electrical installations have been tested within the 5 last years and you must provide them with an EICR.

13.3 An Electrical Installation Condition Report (EICR) is a report carried out to assess the safety of the existing electrical installation within a property and is used to describe its condition. Parts of the system that are reported on include consumer units, protective bonding, lighting, switches and sockets etc. Its purpose is to confirm as far as possible whether or not the electrical installation is in a safe condition for continued service.

13.4 Full details of the legislation can be found here: <https://www.legislation.gov.uk/ukdsi/2020/9780111191934>

## ADDITIONAL SERVICES / CHARGES

The charges (where definitive) listed below are given in good faith but are subject to change due to supplier availability.

All prices shown include VAT at the prevailing rate.

Gas Safety Check	£75.00 - £120.00	
Electrical Installation Condition Report (EICR)	£120.00 - £200.00	Cost dependent on scope of installation
Portable Appliance Test	£150.00 - £200.00	Cost dependent on number of appliances
Inventory & Schedule of Condition (inc check in)	£150.00 - £220.00	Costs dependent on property size
Inventory Check Out	£120.00 - £200.00	Costs dependent on property size
Energy Performance Certificate	£80.00	
Non-Resident Landlord Annual Administration	£120.00	
Non-Resident Landlord Quarterly Administration	£90.00	
Attending Court on your behalf – per day/person	£400.00	
Refurbishment/Redevelopment Quote Charge	£200.00	
Refurbishment/Redevelopment Management Charge	12% of works' cost	
Additional Property Visits	£120.00	



# CONFIRMATION OF INSTRUCTION FORM

## OUR COMMISSION CHARGES

### 1. LETTINGS COMMISSION - INITIAL TENANCY

Our Lettings Commission is shown below. This Commission will be taken from the first month's rent, subject to the provisions of clauses 1 & 4 above.

**£1,895.00 including VAT (£1,579.17 + VAT) –**

Please also note charges relating to the Tenant Fees Act 2019, see clause 5.12 above

### 2. PROPERTY MANAGEMENT CHARGE - YEARLY

Our Charge is taken from the Rent on a pro-rata monthly basis, subject to the provisions of clauses 1 & 4 above

- We will charge you **£1,080 inc VAT (£900+VAT) per year (£90/month) if the Property is a studio or has one bedroom**
- We will charge you **£1,440 inc VAT (£1,200+VAT) per year (£120/month) if the Property has two bedrooms**
- We will charge you **£1,800 inc VAT (£1,500+VAT) per year (£150/month) if the Property has three bedrooms**
- We will charge you **£2,160 inc VAT (£1,800+VAT) per year (£180/month) if the Property has four or more bedrooms**

### 3. RENEWAL COMMISSION

Our Renewal Commission is due should the tenant, or one of the tenants, from the initial tenancy stay for further periods, subject to the provisions of clause 1 above.

**We will charge you £895.00 inc VAT (£745.83 + VAT) per annum**

### 4. ADDITIONAL SERVICES / CHARGES

Please refer to the table (above) for a list of the Additional Services we provide. Please note that some Additional Services, such as but not limited to Gas Safety Tests, EPCs & EICRs are mandatory.

## LANDLORD(S) DECLARATION

I/ We are the sole legal owner(s) of the freehold/ long leasehold interest in the Property.

I/We accept that, in signing this "Confirmation of Instruction Form", I/we are bound by its entire contents and are liable for your Commission Fee & Charges, as detailed above.

**Property Address:** .....

- I/We have read and accept Proper Local Limited's Terms and wish you to provide the Services noted herein as confirmed in the attached Confirmation of Instruction Form or as may be subsequently added.
- I/We understand and acknowledge my/our obligations regarding the safety of the Tenant as outlined within the "Your Legal Obligations as Landlord" section of the Terms, and I/we have full responsibility for ensuring that I/we comply fully with the requirements before and during the letting of the property.
- I/ We understand and acknowledge that it is my/our responsibility to ensure that anyone aged 18 years or older living at the Property has the right to rent in the UK and to keep records for at least 12 months after the Tenancy has ended. I/ We understand that I/ we have full responsibility for compliance with the Immigration Act 2014.

**AGENCY TYPE** - We have agreed, with reference to clause 2.0 above.....

Landlord(s) Signature

For and on behalf of Proper Local Limited

Landlord(s) Home Address: .....

## DEFINITIONS & INTERPRETATION

**Commission Fee & Charges** – Shall mean the fee(s) and charges payable to us by you in return for the provision of the Services in respect of any periods for which Rent is payable under a Tenancy Agreement including periods of renewal, extension or holding over whether by a Tenant or Permitted Occupant. Details of our fee(s) and charges are detailed in the Confirmation of Instruction Form.

**Connected Party** - Means the spouse of the Tenant or Permitted Occupant or a company in which the Tenant owned at least 25% of the issued share capital as at the date of the Tenancy Agreement, or a trust of which one of the beneficiaries was the Tenant as at the date of entry into the Tenancy Agreement.

**Confirmation of Instruction Form** - The form used by you to confirm the Service(s) you are instructing us to provide under these Terms and the Commission Fee and Charges that will be payable to us in connection with the provision of that Service(s).

**Deposit** - Shall mean a financial sum paid by the Tenant in respect of unpaid Rent, bills and any other costs or losses incurred as a result of the any breach of the terms of the Tenancy Agreement by the Tenant.

**Fundamental Breach of Obligations** - Shall mean a fundamental and complete failure on our part to provide the services identified in the Confirmation of Instruction Form and/ or a failure to comply with any obligation essential to the provision of such services.

**Force Majeure** - Shall mean an event outside of the reasonable control of either party effecting its obligations under this agreement.

**Proper Local, Our, We, Us** - Shall mean Proper Local Limited trading as "Proper Local". Company Registered Number: 10190760 (registered in England and Wales). Registered Office: Sigma House, Oak View Close, Edginswell Park, Torquay, Devon, TQ2 7FF.

**Introduced** - A tenant of a property is introduced to that property for the purposes of these Terms if (i) we gave written or verbal particulars of the Property to the Tenant, or the Tenants agent; or (ii) the Tenant was registered with us and visited the Property (whether accompanied by a member of our staff or not) as a result of the registration; or (iii) the Tenant, whether registered with us or not, became aware of the availability of the Property as a result of seeing a Proper Local "To Let" or "For Sale" board outside the Property or seeing the property on our website, other property portal or other form of advertising or marketing; provided that in each case such introduction occurred in the 24 months prior to the Tenant signing a Tenancy Agreement or exchanging contracts for the purchase of the Property or an interest in the Property and whether or not the Tenancy Agreement was finalised or the Property managed by us.

**Landlord, You, Your, He, His** - Shall mean the person signing this agreement as Landlord, or the owner or joint owners of the Property, or persons duly authorised under Power of Attorney, or other legal power, to receive services under these Terms as client.

**Letting Service** - Shall mean the Service provided by us, which includes lettings, renewals and rent collection in respect of a Tenancy Agreement for 6 months or more.

**Notice of Cancellation** - Shall mean your notice to us under the Consumer Contracts (Information Cancellation and Charges) Regulations that you wish to cancel our agreement for the provision of Services within the 14 day cancellation period.

**Permitted Occupant** - Shall mean the person, firm or company in actual occupation of the Property and includes the Tenant but excludes anyone in occupation as a trespasser or without the Tenants permission.

**Property** - Shall mean the residential property identified by you for us to provide a Service as listed in the Confirmation of Instruction Form or subsequently added.

**Renewal Commission** - Shall mean the Commission Fee payable to us by you in the in the event of a renewal, extension or holding over whether by a Tenant or Permitted Occupant.

**Rent** - Shall mean the amount payable by the Tenant or any agent appointed by the Tenant for the letting of the Property under a Tenancy Agreement whether expressed as Rent, a premium or any other form of payment whether paid directly by the Tenant or gained from other means such as deductions from the Deposit.

**Security Deposit** - Shall mean a financial sum paid by the occupant taking the Property under a letting agreement in respect of costs or losses incurred during their stay as a result of any breach of the terms of the letting agreement.

**Service(s)** - Shall mean any of the: residential letting, rent collection, deposit management, renewal and additional services provided by us under these Terms.

**Stakeholder** - Shall mean the basis upon which we will hold the Tenants Deposit/Security Deposit and, as such, cannot release the Deposit/Security Deposit or any part thereof without the written consent of both Landlords and Tenant and/or otherwise.

**Tenancy** - Shall mean the entire period that the Tenant or Permitted Occupant remains in occupation of the Property under the terms of a Tenancy Agreement, including: any extension, or renewal, or renewal period or the holding over, whether by memorandum, agreement or otherwise.

**Tenancy Agreement** - Shall mean the document used to confirm the terms of a Tenancy, whether prepared by us, the Landlord, Tenant or a third party.

**Tenant** - Shall mean any individual or individuals, firm, partnership, trust or company named as Tenant in the Tenancy Agreement or if a short let the occupier let into occupation of the Property.

**Terms** - Shall mean these terms and conditions, which shall be binding as between Proper Local and the Landlord.

## NOTICE OF RIGHT TO CANCEL

If you (the client) are a consumer within the meaning of regulation 4 of the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013, you have a right to cancel this agency agreement/these Terms without giving any reason within the period of 14 days starting from the date upon which it was signed in circumstances where the Terms are not signed within our offices.

Any notice of cancellation is deemed to be served as soon as it has been delivered, posted or sent. In the case of electronic communication, from the day it is sent. If you would like to cancel this agency agreement, you must do so in writing and deliver personally or send (which may be by electronic mail) notice to us at Proper Local Limited, 40 Bank Street, London, E14 5NR; or by email to [weare@properlocal.co.uk](mailto:weare@properlocal.co.uk)

If work on the above agency agreement has begun before the end of the cancellation period then you may be required to pay for any goods or services supplied, including any agreed Expenses.

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## CANCELLATION NOTICE

If you (the client(s)) wish to cancel this agency agreement you must do so in writing and deliver personally or send (which may be by electronic mail) this form to the Agent named below. You may use this form if you want to but you do not have to.

Please complete, detach and return this form **only if you wish to cancel this agency agreement**.

**To (Insert name of Agent)** \_\_\_\_\_

Proper Local Limited (trading as "Proper Local") of 40 Bank Street, London, E14 5NR

I/We (*delete as appropriate*) hereby give notice that I/we wish to cancel my/our (*delete as appropriate*) agency agreement with you on your standard Terms of Business for Residential Lettings in respect of my/our property at (*Insert address of property*)

\_\_\_\_\_  
**Signed by Client(s)**

(1) \_\_\_\_\_

(2) \_\_\_\_\_

**Name(s) and Address of Client(s)**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Date** \_\_\_\_\_