

Harringtons Lettings

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A HOMEOWNERS GUIDE TO OUR SERVICES AND AN INTRODUCTION TO LETTING AND MANGEMENT

By using our professional residential letting service you could enjoy income that will substantially defray your mortgage payments, pay your maintenance bills or provide extra funds. This brochure outlines our procedures and tries to answer your questions. But you should be warned that letting your home involves complicated legal processes, which, if not undertaken correctly, could put your possession rights at risk. Most tenancy failures occur when owners think that by doing it themselves they can save themselves the fees of a professional service. **IT IS OFTEN AN EXPENSIVE ERROR OF JUDGEMENT.**

Harringtons Services

Letting and Full Management Service (The service that provides peace of mind)

1. Marketing, advertising and conducting viewings at the property, including feedback of viewings.
2. Weekly advertising on five national websites
3. Erection of TO LET board.
4. Tenant selection: obtaining a guarantor homeowner for the collection of rent
5. Preparation of tenancy agreements and all relevant notices.
6. Preparation of fully detailed inventory inclusive of photographs.
7. Collect rent and remit including statement.
8. Collect and hold deposit.
9. Chasing any rent arrears.
10. Arranging routine repairs and maintenance issues.
11. Property inspections – if tenant renews contract after initial six months then inspections are carried out on month 3 then 6 monthly thereafter. However, if tenant does not renew then inspection is carried out as normal on month three and again upon vacating.
12. Payment of property related outgoings.
13. Renewal of tenancy.
14. Check out report once tenants have vacated.
15. This service is continuous with each new set of tenants.
16. To instruct an Energy Performance Certificate at a cost of £75+VAT.

For this service a fee of 15% plus VAT will be deducted from the monthly rental.

Further details of the Fully Managed Service

- To effect repairs to the property as necessary. The landlord hereby authorises the agents to carry out repairs at their absolute discretion up to an amount of £250.00 plus Vat without prior reference to me/us.
- To inspect the property and forward a written report to the owner in every third and sixth month then every six months thereafter.
- Provided that the owner has not made alternative arrangements and that the clients account is in credit, to pay charges expenses and other outgoings as demanded from time to time in respect of the property which is the subject to this agreement.
- To demand and recover from the tenant all rents and sums of money payable
- To grant or renew tenancy agreements at the same rents as previously authorised by the owner or as determined by the agents to be in the owner's best interest.
- To sign and give lawful notices to the tenant to quit or to repair to abate a nuisance or remedy a breach of covenant or for any other purposes whatsoever and to accept surrenders of lease or tenancy agreement on whatsoever terms the agent sees fit.
- To warn off and prohibit and if necessary to proceed against all trespassers on the property.
- In general for the purposes of the agency to perform every other act usually performed by Letting or Managing Agents to all intents and purposes as the owner would do personally.
- In certain circumstances, the agents would be prepared to enter into correspondence with the Inland Revenue. Tax returns however are the responsibility of the owner and his professional advisors.
- To collect deposits and hold the same upon the owner's behalf and at the agents discretion to return any sum the agents consider due to the tenant. All interest upon the said deposit shall belong to the agents.
- Landlord must produce to the agent an up to date Gas Safety Certificate in respect of each appliance that would require such. It shall be the managing agents duties thereafter, to have such certificate renewed. Any works required thereunder without referral to the landlord. In respect of the preceding clauses if such certificate is not produced to the agent, then it shall be at their discretion to obtain costs incurred by the agent including administration.
- Income on behalf of certain clients resident overseas may be deducted at the standard rate and remitted to the Inland Revenue upon demand unless an alternative authorised agent has been appointed by the owner.

Other Services provided by Harringtons Lettings

Letting and Rent Collection Service

1. Marketing, advertising and conducting accompanied viewings at the property.
2. Feedback from all viewings.
3. Weekly advertising on five national websites
4. Erection of TO LET board.
5. Tenant selection and obtaining guarantor homeowner for the collection of rent.
6. To collect first month's rent and deposit as requested.
7. Chasing any rent arrears.
8. Preparation of tenancy agreement and all relevant notices.
9. To collect and remit monthly rent, including statement.
10. Renew tenancy agreements.
11. This service is continuous with each new set of tenants.
12. To instruct an Energy Performance Certificate at a cost of £75+VAT.

For this service a fee of 10% plus VAT will be deducted from rental payments.

Intro Service

1. Marketing, advertising and conducting accompanied viewings at the property.
2. Feedback from all viewings.
3. Weekly advertising on 5 national websites.
4. Erection of TO LET board.
5. Tenant selection and obtaining guarantor homeowner.
6. To collect first month's rent and deposit as requested.

For this service a fee of £500.00 plus VAT will be deducted from the first rental.

Definitions

"The agents" – The Harringtons Lettings and its successors in title or assigns.

"The owner" – The owner named in the instruction letter or his successors in title or assigns.

"The property" – The property specified in the signed terms and conditions or any part thereof with any common ways or shared facilities if the property is part only of a building and also includes any fixtures, fittings and furniture belonging to the owner.

"The tenant" – Any tenant or tenants of the property from time to time and if the tenant is more than one person this expression shall be read and construed accordingly and will include any person who was within this definition who remain in occupation of the property. The expression "tenancy" shall be read and construed accordingly.

Harringtons Terms & Conditions

Additional Fees for Introduction and Let/Rent collection service. (Included in Full Management)

- Additional copies of tenancy agreement - £25.00 plus VAT
- Inventories Studio/One bed flat = £150 + VAT. Two bedroom flat/house = £200.00 + VAT. Three bedroom flat/house = £250.00 + VAT. Four bedroom house/flat = £350.00 + VAT. Should the property be any larger than four bedrooms and you require an inventory please do not hesitate to contact Harringtons who will be able to supply a quote for you. The inventory will include a full set of photographs.
- Property Condition Report: To attend the property in month three and six, complete a condition report and submit to landlord. £100.00 plus VAT per visit.
- Check Out Report: To attend the property at the end of a tenancy term and carry out a condition report and submit to landlord. £100.00 plus VAT
- Rent Guarantee Scheme: £200 per person + VAT for six months cover or £440.00 for 12 months cover.. Standard Referencing: £100.00 + VAT per person. Credit Check: £100.00 + VAT per person. Security of Guarantor: £100.00 + VAT per person
- Administration Fees for involvement in arranging gas safety certificates, assistance in processing insurance claims, additional visits, supervision of major renovation. These charges are subject to review at the discretion of Harringtons Lettings.
- Copies of additional statements will be charged at £25.00 + VAT per copy.
- Upon appointment for inventory or check out and cancelled or re-arranged (with less than 3 hours notice) a charge of £50.00 plus VAT.
- Gas Safety Energy Performance Certificate: A charge of £75.00 + Vat for the certificate and then an additional £30.00 per appliance thereafter. Any additional works required after such inspection will be charged accordingly.
- Additional key cutting for the owner will be charged at £25.00 per key + VAT.
- Value Added Tax or any other government tax or charge that may be levied will be charged in addition to the above fees.
- The agents or associate company also reserve the right to invoice charges in respect of any work or management of unusual nature not envisaged in the terms and conditions.
- Where a tenant purchases, or a willing purchaser is introduced via the agent, a freehold or long leasehold of the property occupied or previously occupied by the tenant within six months of the end of the tenancy a fee equivalent to 1.5% plus VAT of the purchase consideration will forthwith become due and payable by the owner to the agents upon completion of such sale.
- Should you the tenant default and court proceedings are necessary the agent will have to apply a charge of £125.00 per day or part thereof plus Vat at the prevailing rate.
- Deposit Protection Service – in order for us to deposit with the Government Scheme at The Deposit Protection Service our fees in relation to this matter will be £75+VAT. In respect of retrieving the deposit and dealing with the DPS and correspondence in relation to the deductions from tenants our costs will be £100+VAT including any costs for signing a Statutory Declaration.

Harringtons Terms & Conditions

Other items

Termination

This agreement and the Agents appointment shall continue for a period of twelve months from the commencement date and thereafter from month to month until determined. The Agents may at any time terminate the appointment on one months notice and the owner may terminate the same at time after the said initial twelve month period (i.e. no notice can be served within the initial twelve months) on six months notice in writing, or until such time as the tenant shall leave the property (whichever shall be the later). In the event that either party terminates the appointment of the agents hereunder it shall be without prejudice to any claim by the agent against the landlord in respect of any monies due to any antecedent breach of the terms hereof or in respect of any claim. Should the owner wish to give the agents six months notice then all commission due will be deducted from the deposit (in the event that the tenant is still at the property a commission of 12 months + VAT will be applicable). Once deductions have been made the tenancy agreement, section 21 notice, any remaining deposit will be forwarded to the owner.

Letting and Management Fees

The commission for rent collection is due monthly in advance at the commencement of the term and month thereafter and further repayments therefore shall be due forthwith upon any extension or any renewal of the tenancy or the grant of a tenancy to any person who shall at any time have occupied the premises together with any previous tenant. For the purpose of this agreement if the tenant is more than one person then this further commission shall be payable if one or more of these tenants' remains in occupation.

If the initial letting period is for part only of a year then the said commission shall be based upon such period with a minimum of six-month period. If for any reason this agreement is terminated by either party hereto pursuant to the provisions appearing herein as to termination, then no letting commission or part therefore shall be returnable to the owner, even if the termination takes effect during any period of any tenancy agreement or any extension of any Tenancy Agreement or otherwise

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Other items

Owner Resident Abroad

Where the Owner is registered abroad or taxed as such, the agents shall be entitled to retain out of any monies received the amount of any tax due or estimates to be due to the Inland Revenue and to pay the same to the Inland Revenue if required by them. The owner hereby indemnifies the agents against all payments of tax amended by the agents any shortfall of such monies (if any). Together with interest thereon at 5% above Barclays Bank plc lending rate in force on a daily basis from the date of payment by the agents until reimbursement in full has been made.

Insurance

It is the owner's responsibility to advise their insurance company in writing that the property is let, and ensure that they are covered for third party, public liability and defective risks. The landlord is responsible for both building and personal contents insurance during the tenancy. However, the tenants are responsible for arranging insurance cover on their own personal belongings taken into the property. Harringtons lettings are not responsible for renewal/cancellation of any insurance by either the owner or the tenant.

Mortgage Consent

The owner shall obtain the consent of any letting from the mortgage of the property and provide the agent with confirmation of this.

Furniture and Furnishings (Fire) (Safety) Regulations

It is the owner's responsibility to ensure that all soft furnishings (upholstery and upholstered furnishings, loose fittings, permanent or loose covers, etc) must comply with the Furniture and Furnishings (Fire) (Safety) Regulations 1988. It is an offence to "supply" furniture, which does not meet with the Fire Resistance Requirements.

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Other items

Electrical Equipment (safety) Regulations

These impose an obligation on the owner to ensure that all electrical appliances are safe. We also recommend that as a minimum precaution all properties must contain a Residual Circuit Device (RCD) in at least one dedicated ground floor socket to be used for any outside electrical equipment.

Energy Performance Certificates

It is the owner's responsibility to provide the agent with a validated Energy Performance Certificate for the property prior to marketing. Should the agent have not received such a Certificate then they will instruct their own Energy Performance Certificate consultant at a rate of £75 + VAT, or such prevailing rate at the time and the Landlord shall pay to the agent the due amount upon receipt of such invoice or within 7 days of receipt. This shall be the case whether the property has been let or not by the agent. The Energy Performance Certificate will be the ownership of the agent until such time as it has been paid. If this is not received within 3 days of marketing then this will be automatically instructed and the fee will be charged to the Landlord.

Gas Safety Certificates

The owner must supply to the Letting Agent prior to the Tenants moving in a Gas Safety Certificate by a Corgi registered plumber. If such a Certificate is not provided to the Letting Agent they shall instruct their own and the cost will be bourn by the owner. The owner must also provide a Certificate on a year to year basis at least 48 hours prior to the Certificate expiring. Please note that no payment to Landlords will be made without a property Gas Safety Certificate being provided to Harringtons Lettings once the Tenants move in.

Rental Income

Your rental income will be paid to you, once Harringtons Lettings are in receipt of cleared funds from your said tenants. The rent will be forwarded to you by form of auto pay. Should you wish to have another form of payment method a small charge will be applied. Please be aware that the agents request that all rents become due on the 1st of every month, despite the move in date. In which case the owner may receive a pro rata amount of rent in the first month and then receive further rent as from the 1st thereafter. Rents will be paid every day in the first week of the month and then thereafter every Monday. Please note that no payments will be made to Landlords without full Terms and Conditions being signed and returned to Harringtons Lettings.

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Other Items

Tenants Breaches

Should the tenants default on their rent our arrears process will commence from day one. If it becomes necessary for court action the owner will be responsible for instructing their solicitors and all fees arising. Should your agents need to attend court the relevant fees will be implemented.

Tax Deductions

All owners, whether resident abroad or at home are allowed to make certain deductions from income before calculation of profit.

Deductions usually include: Agents commissions, management fees and administration charges. Council Tax whilst the property is empty. Tax accounting fees and certain legal expenses. Buildings and contents insurance cover. Maintenance charges on leasehold property and repair and maintenance of gardens, communal area, roads and drains, and the cost of lighting to common parts where the landlord is responsible. Wear and tear allowance for furnished property. Interest on loans for the purchase and improvement of investment property. VAT on all charges.

Smoke Alarms

The Building Regulations 1991 require that all properties built since 1992 must have mains operated interlinked smoke alarms fitted on every floor. There are no such regulations regarding older property. We recommend that smoke alarms are installed to all properties.

Electricity and Gas

Owners must carry out meter readings and obtain closing bills for the utilities. The tenant is responsible to have accounts transferred into their names and will not have their deposit returned until closing bills have been submitted to the owner or the agent to confirm that there are no outstanding amounts associated to the property. The agents will not take gas and electricity meter readings.

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Telephones

Owners should request a closing account before leaving the property. Tenants are required to make their own application for telephone connection. The tenant is responsible to have accounts transferred into their names and will not have their deposit returned until closing bills have been submitted to the owner or the agent to confirm that there are no outstanding amounts associated to the property.

Water

Water and sewage rates are the responsibility of the tenant. All metered charges are also to be paid by the tenant. The tenant is responsible to have accounts transferred into their names and will not have their deposit returned until closing bills have been submitted to the owner or the agent to confirm that there are no outstanding amounts associated to the property.

Leasehold Property

The owner or company responsible for managing leasehold property should be notified and arrangements made for payment of ground rent and maintenance.

Keys

The agent will require 3 sets of keys from the owner once terms and conditions have been to enable viewings, management (if opting for fully managed service) and for future tenants.

Burglar Alarms

It is essential that clear instructions be given where burglar alarms are installed. A 24-hour service contract for the system should be arranged; key holders and the local police should be advised of arrangements.

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Maintenance

The agent has created a specific system in relation to maintenance in order to provide the owner with a reliable quality service. The agent will take appropriate action in an emergency advising the owner as soon as possible. The agent has authority from the owner to carry out works up to £250.00. When we receive a telephone call from the tenant we automatically report this to our contractors who guarantee a telephone call to the tenant within 24 hours. They will attend the site and deal with the problem up to the authorised limit (£250.00). If the works exceed the limit they will automatically revert to the Landlord direct to discuss the matter before carrying out any repairs. This enables the owner to be fully aware of exactly what the situation regarding any works to the property is. You will be given details of our contractors in this regard if requested. Should the owner have any items or works under guarantee please advise your agent so the appropriate action can be taken.

Boundaries

Collapsing or damaged walls, fences and trees along boundaries can cause problems. A sketch plan should be supplied indicating, in red, the boundaries for which the owner is responsible.

Personal Arrangements

The owner should make arrangement to have their mail redirected and should you be moving overseas it would be extremely helpful for the agents to have a representative in the UK.

Please note if the agent receives any forwarded post for any landlord this will be destroyed.

Third Parties

We shall forward your details on to Third Parties such as our Building Insurance Dept in order to help reduce your costs. If you do not wish for these details to be passed on please inform us.

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