

# SHERATON LAW TERMS OF BUSINESS

Property to be let

.....

The Letting Service

The Full Management Service

I have read and understood the Sheraton Law Terms of Business and accept these terms in signing this document.

Signed by the Landlord: .....

(or duly authorised representative)

Date : ...../...../.....

## **1. The Letting Service**

The following services are **available**:

1. An inspection of the property to advise the owner on rents, furnishings, inventory and other related matters.
2. On instruction to advertise the property and to contact and circulate details to the companies and other prospective tenants on our register.
3. Arranging and supervising the appointments of prospective tenants to view the property.
4. Once a suitable prospective tenant has been found the negotiation of the terms and conditions of the proposed tenancy for inclusion in the Tenancy Agreement.
5. The taking up of appropriate tenant references.
6. The preparation of the Tenancy Agreement and the collection of the tenants' signature together with the initial rent payment and security deposit.
7. Arrange the preparation of the Landlord's inventory by an independent inventory clerk.
8. Arrange to check the tenant into the property and the checking of the Landlord's inventory.
9. Demand and collect rents due to the owner under the terms of the tenancy agreement and send a monthly statement of account to the owner.
10. Arrange at the end of the tenancy for the inventory to be checked by the Inventory Company and a schedule of dilapidations to be prepared.

If you decide that you want just the letting service then you will be responsible for the organisation of any maintenance, repairs, and property inspections together with the agreement of the tenant concerning any dilapidations before the return of the deposit. You will also need to change over the utilities to the new tenants. Sheraton Law is not able to enter into negotiation with the tenant concerning dilapidations where we have not been retained to manage the property.

## **2. The Full Management Service**

In addition or separately to the Letting Service, Sheraton Law can offer a comprehensive Management Service for overseas or busy Landlords.

This service **includes:**

1. Managing the property on behalf of the Owner
2. Making periodic inspections of the property. Inspections are carried out by us approximately every six months (but more frequently if deemed necessary) and a report detailing the general state of the property is forwarded to the Landlord. These inspections are superficial checks only and are not intended to be structural surveys or inventory checks. A fee of £65 will be charged should any additional inspection or visits be requested
3. Payment, on receipt of invoice, of outgoings such as insurances and repairs out of the rental income as and when it is received. Although we query any obvious discrepancies Sheraton Law will pay invoices and demands that we believe to be in order.
4. Where necessary, effecting repairs for which the owner is responsible. Minor repair work, work we consider necessary, or maintenance up to £300 will be carried out, otherwise any more expensive repairs will be advised to the Landlord for consent. We do reserve the right to act in emergencies, to preserve the interests of Landlord, without consultation when necessary.
5. Keeping of accounts and the sending of statements of accounts to the Landlord and, if requested, an annual statement to your accountant.
6. Looking after the day to day maintenance of the property and arranging for repairs and servicing of appliances when necessary (excluding the sourcing of, purchase and seeing in of replacement goods).
7. A float of £300 is maintained during the term of the tenancy to enable Sheraton Law to pay for outgoings on behalf of the Landlord. If rent is paid quarterly or six-monthly a float of £500 will be retained.
8. For arranging and supervising works above day to day management, normally those works in excess of £2000, we charge a project management fee of 10% + vat of the total cost of the works.
9. Arrange at the end of the tenancy for the inventory to be checked by the inventory company and a schedule of dilapidations to be prepared. If required Sheraton Law can negotiate and agree the dilapidations on your behalf and, where necessary, make the appropriate deductions from the tenant's security deposit.

## **3. Charges**

### ***The Letting Service***

Letting Service fee .....12% of the total amount of the rental shown on the Tenancy Agreement for the period of the tenancy plus VAT. The letting service includes rent collection. The fee is deducted monthly.

Monthly emailed statements of account ..... FREE

For organising a Landlords Gas Safety check, EPC, inventory make, professional clean or other service a charge of £20 is made per arrangement.

### ***The Full Management Service***

Full Management Service.....16% of the total amount of the rent shown on the Tenancy Agreement for the period of the tenancy plus VAT. The fee is deducted monthly.

Monthly itemised statements of account ..... FREE  
Annual accounts sent to accountant (if requested)..... FREE  
Six monthly management visits & written reports..... FREE  
Arranging annual Landlords gas safety check..... FREE

### ***Renewals and general charges***

Checking in the tenant at the start of the tenancy and going through the inventory with the tenant, arranging keys, taking meter readings etc. Prices vary – furnished; 1 bed - £85, 2 bed - £105, 3 bed – £125, 4 bed - £145 or unfurnished; 1 bed - £65, 2 bed – £80, 3 bed - £95, 4 bed - £110. Sheraton Law or the inventory clerk will always undertake this service with the Full Management Service.

**For drafting tenancy agreements or negotiating a tenancy renewal we charge £120.**

For access to the dispute resolution service of the Tenancy Deposit Scheme, where Sheraton Law holds the deposit, we make an administration charge of £30 per tenancy/year whichever is soonest.

When a tenancy is renewed, or goes on to a statutory periodic tenancy, to the existing tenants, or any related party, the same terms and conditions regarding fees apply.

In the event of Sheraton Law undertaking exceptional duties then a further charge or charges will be made as may be fair and reasonable in the circumstances.

Please note that all charges are subject to VAT at the prevailing rate.

### **4. The Tenancy Agreement**

Sheraton Law will draw up a comprehensive tenancy agreement. If a Landlord requires substantial alterations to the standard tenancy agreement then an additional charge may be made. Sheraton Law reserve the right to sign agreements on behalf of Landlords, who will be bound by the agreed terms therein

**5. The Inventory** A comprehensive inventory is essential and when we are retained to manage your property we would require that this is prepared by a professional company. Sheraton Law can arrange for the inventory to be prepared by an independent, specialist company. Where we are instructed to manage the property we would require the tenants check in to be done by either the inventory clerk or by Sheraton Law.

**6. Collection of rents** Sheraton Law makes every effort to transfer the rental income to the Landlord as quickly as possible; however we ask, in certain cases, up to a maximum of TEN WORKING DAYS of receipt of rent from the tenant. (A working day is a Monday to Friday, which is not a public holiday). If this target is not met Sheraton Law will pay the Landlord interest at an annual rate of 4% above the Bank of England base rate from the date that the rental income was received until the date the payment is made to the Landlord.

We forward a monthly statement of account and, if requested for fully managed properties, we will forward copies annually to your accountant.

**7. Utilities** If you use Sheraton Law Full Management service we will notify the utility services (Electricity, Gas, Water and Council Tax) of the change of subscriber at the beginning of the tenancy. Unless instructed otherwise we endeavour to take readings at the beginning of the tenancy and normally ask for the termination bills to be sent to us for settlement. We do require that the owner provides a telephone line (whether connected or disconnected) to the Property.

**8. Insurance** The owner will undertake to insure and keep insured the property and any contents included in the inventory. The owner must also advise the insurance company that the property will be tenanted. If the Owner requires Sheraton Law to deal with insurance claims on the owner's behalf then a charge of 5% will be made, with a minimum charge of £50 for each insurance claim undertaken.

**9. Mortgages** The owner should obtain prior consent for the letting from any building society, bank or financial institution that holds any mortgage on the property. Likewise if you are a lessee then you must obtain permission for the letting from your Freeholder or their managing agents.

**10. Fire & Furnishings** The Fire & Furnishings (Fire Safety) Regulations 1988 were amended from 1993. This means that newly rented property should be furnished with contents that meet the 'cigarette test' and carry the appropriate fire resistant label. From 1st January 1997 all furniture supplied must meet Fire & Furnishings Regulations. However, furniture manufactured prior to January 1950 is exempt from the rules. In signing this form you accept responsibility for ensuring that the contents of your property comply with these regulations.

**11. Gas Safety** The Gas Safety (Installation and Use) Regulations 1994 mean that Landlords have a statutory duty to make sure that all gas appliances are inspected for safety once a year and that they keep a record of this. If you use Sheraton Law to manage your property we will arrange this automatically through a Gas Safe registered engineer.

If you just use our letting service then you are required to keep accurate records of work on the property, especially those regarding gas appliances, that those records be available to the tenants on request and that all gas appliances be serviced annually by a registered Gas Safe engineer.

If Sheraton Law is not provided with a valid gas safety certificate prior to the commencement of the tenancy, then we reserve the right to call out a Gas Safe registered engineer to make the necessary check and undertake any remedial work needed. The cost of such work, together with an administration fee of £35, will be debited from the Landlord's account.

In the case of non managed properties where the tenant remains in the property beyond the expiration of the gas safety certificate and Sheraton Law has not been provided with an up to date certificate.

**12. Energy Performance Certificates** From October 2008 EPCs are required whenever a property is rented out. The certificate provides 'A' to 'G' ratings for the property, with 'A' being the most energy efficient and 'G' being the least.

Accredited energy assessors produce EPCs alongside an associated report which suggests improvements to make a building more energy efficient. Please note that EPCs are only valid for 10 years.

**13. Tenancy Deposit Scheme (TDS)** This scheme resolves disputes between landlords/agents and tenants as to the return of deposits at the end of the tenancy. As a regulated and bonded agent Sheraton Law provides a fair tenancy agreement and service to both our landlords and tenants. Where the deposit is held by Sheraton Law all assured shorthold tenancies are included in the Tenancy Deposit Scheme and clauses to this effect are included in the agreement that both parties sign.

Sheraton Law must be informed in writing of any potential dispute, regarding an unmanaged property, about deductions from the deposit within 10 days after the lawful end of and vacation of the property. The dispute may then be submitted to the Independent Case Examiner (ICE) of the TDS for expert, impartial third party adjudication. If no such information is given regarding deductions from the deposit Sheraton Law reserves the right to release the entire deposit to the tenant without deductions.

**14. Non resident Landlords** All non resident Landlords must register with HMRC Centre for Non Residents in order to avoid having tax deducted from their gross rental income. Where there is no registration Sheraton Law is obliged by HMRC to deduct tax from the rental income and pay it over on a quarterly basis. Where a Landlord has not been granted a notice enabling Sheraton Law to pay rental income over with no tax deducted, there is a charge of £45 for submitting each quarterly return and a charge of £60 for submitting the annual return. Landlords must notify Sheraton Law if they are going abroad for any period that would alter their status to non resident.

**15. Sale of the Property** If the sale is agreed with the tenant, or associated party, during or after the tenancy, and contracts exchanged, then Sheraton Law will be entitled to commission of 1% plus vat of the sale price.

**16. Termination of letting or management services** Three months notice in writing is required for the termination of letting or management services, unless Sheraton Law sell the property on behalf of the owner. Should such notice be given then a fee of 10% of the rent payable under the remainder of the term of the agreement will be immediately payable by the Landlord upon termination of the agreement. If a further tenancy (or tenancies) is granted to a tenant (or associated party) introduced by Sheraton Law, after termination of the agreement, a fee of 10% of the rent payable in respect of that letting, will be payable by the landlord to Sheraton Law. Please be aware that this is irrespective of any possible fee payable to any other agent.

**17. Legal Proceedings** Sheraton Law is not responsible for any legal steps for the recovery of rent or the repossession of the property by the Landlord.

In the event of Sheraton Law being required to attend a court hearing – this will be by special arrangement and the fee for any such attendance is £300 per day or part thereof. Sheraton Law will not accept service of legal proceedings on the Landlord's behalf.

**18. Keys** Sheraton Law uses a secure tag system for the keys held only identified by a number and the Landlord's surname – so it is impossible to tell which property a set of keys belongs to. As such, in the unlikely event that a set of keys is unaccounted for or missing, Sheraton Law's liability will be strictly limited to the cost of getting another set of keys cut.

**19. Renewals** Renewal commission is due in respect of any renewals, extensions or new agreements when the original tenant(s) remain in occupation. It is also due when the incoming tenant(s) is associated or connected in any way with the original tenant. Where there is more than one tenant, renewal commission is payable in full where any or all of them remain in occupation and whether or not the renewal is negotiated by Sheraton Law.

**20. Management of empty properties** During void periods Sheraton Law charges £50 per month. Landlords are advised to make sure that they comply with any insurance policy requirements effecting empty properties. Sheraton Law cannot be held liable, during a void period, for any loss and/or damage as a result of fire, flood or theft.

**21. Interest** Sheraton Law fees are payable on demand as they fall due. Sheraton Law reserve the right to charge interest at 4% above the Bank of England base rate for any outstanding fees after 28 days when they were first demanded.

**22. Consents** The Landlord confirms, by signing this form, that he/she has obtained consent from the mortgagees for the letting of the property, in addition where he/she is a lessee that the lease extends beyond the term that he/she proposes to let the property.

Where he/she is a joint owner that he/she has ensured that all the owners are named on the tenancy agreement; and that he/she has been authorised to give instructions on their behalf.

Where you have instructed Sheraton Law to act as your agent in the letting of your property and in circumstances where you have confirmed verbally that you wish to go ahead with the letting, you authorise Sheraton Law to sign any necessary documentation on your behalf.

**23. General terms**

The owner will reimburse Sheraton Law all expenses properly incurred in the management and/or letting of the property.

Sheraton Law will reserve the right to terminate immediately the agreement with the Landlord should there be anything of an illegal nature.

Appropriate charges will be made for processing insurance claims, additional inspections of property if requested by the client, overseas telephone calls, forwarding of mail, management between lettings and supervision of major renovation/building projects. Sheraton Law reserve the right to invoice charges in respect of any necessary work or management of an unusual nature not envisaged in this agreement.

**24. Your right to cancel**

You have the right to cancel these terms within 14 days without giving any reason. The cancellation period will expire after 14 days from the day you sign these terms. To cancel you must inform us by post or email and we will reimburse you any payments received from you not later than 14 days after the day on which we were informed about your decision to cancel.

Under the regulations we cannot begin providing you with the service under these terms of business unless you have requested that we begin the service in writing. By signing these terms of business you agree that you request us to begin the performance of services set out in these terms of business during the cancellation period.

**25. Data Protection**

In accordance with the provisions set out in the General Data Protection Regulations (GDPR), we will hold all data provided as data controller. Details of how Your data or that of the Tenant will be taken, held and used is set out in Our privacy policy ("the Policy") that is provided supplemental to these terms. A copy of the Policy can also be found on our website [www.sheratonlaw.com](http://www.sheratonlaw.com) . If you have any questions regarding the storage or use of the data please refer to the policy or direct the questions to Lauren Van Veen at [lvv@sheratonlaw.com](mailto:lvv@sheratonlaw.com)

Sheraton Law reserve the right to alter these terms of business by giving to the owner reasonable notice of such alterations.