

# Terms of Business (Part 1)

## Levels of Service / Legal Information and Scale of Charges

The following conditions form part of the agreement between 3Keys Limited and the Landlord. They are reliant upon the information given to the Agent by the Landlord:

### Definitions:

- The “Landlord”, “you”, or “your” means the person or persons as owners of the subject property and will include any others with a legal interest in the property, whether this has been disclosed or not. Where the party consists of more than one entity or person the obligations apply to and are enforceable against them jointly and severally. Joint and several liability means that any one of the members of a party can be held responsible for the full obligations under the agreement if the other members do not fulfil their obligations.
- The “Agent”, “we” or “us” means 3Keys Limited.
- The “Tenant” means the party named in the tenancy agreement as the Tenant of the Property.
- The “Property” means the property noted as the address of the property to be let including all outbuildings, grounds, fences, boundaries etc.

### 1. Service levels

#### 1.1 Let Only

- The Agent will arrange to provide a guide on the rental price of the Property, usually by visiting.
- The Agent will promote the Property in appropriate ways to find a suitable tenant for the Property.
- The Agent will arrange paperwork for the Property, or request this to be provided from the landlord (including but not limited to a gas safety record, an energy performance certificate, mains electrical testing, portable appliance testing and a legionella risk assessment). All costs will be borne by the Landlord, even if the Property is not actually let through the Agent.
- The Agent will arrange viewings with prospective tenants either using the keys supplied by the Landlord or in coordination with the current occupier. All viewings will be accompanied by the Agent unless agreed otherwise.
- Once a prospective tenant is found who is interested in the Property, they will be asked to complete an application form giving information about themselves.  
The Agent will then take references appropriate to the circumstances of the prospective tenant. This may be done by the Agent or may be outsourced to a referencing company as the Agent thinks fit.
- The Agent agrees under Part 3 Chapter 1 of the Immigration Act 2014 to be the person responsible for checking the immigration status of all applicants, as appropriate, before the initial move in. The Landlord will be responsible for any further work needed under the Immigration Act.
- On receipt of references the Agent will set up the necessary paperwork to let the property on an appropriate tenancy.

*The Agent does not and cannot offer any warranty as to the suitability of prospective tenants. The Agent will not be held liable for any of the tenants actions or failure to adhere to tenancy terms.*

- The Agent will, if appropriate, arrange for the initial production and subsequent agreement of an inventory and schedule of condition of the property at the move in.
- The Agent will sign up the tenant (for Let Only landlords the **Landlord is required to sign their own AST** prior to the tenancy commencing), collect any money due, giving the Tenant copies of appropriate paperwork.
- If a deposit has been collected and requires protecting under the Housing Act 2004 rules then you will need to have a custodial scheme account of your own or you will have to purchase protection with an insured scheme. The responsibility of protecting the tenants' deposit is yours and there are penalties for non-compliance. We will not, have any involvement in the agreement about the refund of the deposit or any disputes at the end of the tenancy.
- For Let Only Service landlords, the Agent will then send the Landlord the funds, less expenses, and the paperwork.

#### 1.2 Fully Managed

- The Agent will use its best endeavours at all times to collect rents or other charges due from the Tenant and provide monthly accounts to the Landlord. However, the Agent will not be liable for the amount of any arrears nor for any legal or other costs incurred by the Agent or the Landlord or any other party in respect of the recovery of such arrears.
- The Agent will endeavour to process onto the landlord all rents within 5-7 days of receipt of cleared funds.

- If the Landlord lives overseas, the Agent must account to HM Revenue and Customs for the rental received and this can include deducting basic rate income tax. To avoid this, the Landlord must apply to HM Revenue and Customs for approval for gross rents to be paid. If such approval is not obtained, an extra £10.00 + vat per month will be charged on the normal management fee to cover the cost of the extra work involved.
- The Agent will use its best endeavours to arrange minor repairs, general maintenance and replacements to the property without necessarily consulting the Landlord beforehand up to the value of one month's rent. The Agent will not be responsible for damage or loss incurred to the Property or the Landlord in the event of repairs, general maintenance or replacements not being carried out.
- The Agent will make periodic visits (3-6 monthly, where access can be agreed with the tenant) to the property and report to the Landlord but such visits and reports can only be regarded as general oversight of the property and its care by the Tenant. The Agent does not accept responsibility for actual variance between the report and the items reported upon. The Agent will liaise with the Tenant on all day to day matters arising.
- The Agent will use its best endeavours to recover possession of the Property in accordance with instructions received but cannot be liable for any delays, damages or costs incurred because such vacant possession is not achieved within the time scale requested. It will be the responsibility of the Landlord to instruct solicitors with whom the Agent will liaise. The Agent will not be liable for any legal or other costs incurred in any action against current or previous tenants undertaken on the Landlord's instructions.

### **1.3 All levels of service**

- The Landlord will be responsible for the arrangement and valid continuance of adequate buildings and contents insurance on the Property. Furthermore, the Landlord will particularly inform the Agent in writing of any action that needs to be taken to ensure continuance of insurance either for renewal or because the Property is vacant.
- The Agent should be informed immediately of any substantial change affecting the Property and/or the Agent's management of it. The Landlord accepts that the Agent can best carry out their management function if they are aware of possible problems arising.
- The Landlord agrees to indemnify the Agent for (refund to the Agent) all reasonable costs incurred in connection with the management of the Property including the cost of complying with any existing or future legislation affecting the letting of the Property and the cost of repairing, removing and replacing any dangerous and/or defective equipment and/or furnishings with safe and compliant equipment and/or furnishings.

### **2. The Landlord agrees and confirms:**

2.1 That the Landlord is the legal owner of the Property or that the Landlord is authorised by the owner to enter into this agreement and is entitled to receive rental income.

2.2 That the Agent is appointed as agent for the Landlord on the Property.

2.3 That the Landlord will compensate and reimburse the Agent for all costs and expenses, claims and liabilities incurred or imposed upon the Agent under this agreement.

2.4 That the Property is fit to be let, compliant with all statutory requirements, safe to be let and all appliances and goods are in full working order, serviced and have safety instructions for use.

2.5 That the Property will be clean prior to letting and any garden is neat and tidy for the season.

2.6 That the Property and contents (if applicable) are adequately insured and that the insurance company is aware of and consents to the letting of the Property.

2.7 That where the Property is subject to a mortgage, the Landlord has consent to let the Property and that the Landlord will supply a written copy of the consent to the Agent prior to letting.

2.8 That if the Property is leasehold the Landlord will obtain any necessary consent for letting and supply the Agent with a copy of the lease and the lessor's consent prior to the letting.

2.9 That the Agent may sign the tenancy agreement, notices and any relevant documentation for and on behalf of the Landlord.

2.10 That the property will be supplied with a minimum of one working smoke alarm per floor and if this is not present, the Agent can arrange for the supply & fitting of appropriate alarms at the Landlord's expense. Some properties may need more than simple smoke alarms.

### **3. The Agent:**

3.1 Will not, as part of the regular management of the Property, be responsible for the supervision or management of any major building work or refurbishment of the Property, unless agreed between the Landlord and the Agent in writing prior to the commencement of the project and upon terms to be agreed.

3.2 Is not liable for any loss or damage arising from the defective work, sub standard repair or any other default by a contractor engaged by the Agent.

3.3 Is not responsible for redirecting the Landlord's post delivered to the Property.

3.4 Is not responsible to manage the Property when it is not let.

3.5 May delegate any of the services to be provided to the Landlord, such as inventory taking, where it does not adversely prejudice the Landlord by doing so.

3.6 Is not responsible for any latent (hidden) defect in the Property.

3.7 Will not be liable for any loss or damage suffered by the Landlord via the act, negligence, and omission of any third party which may arise.

3.8 Will not attend court or any tribunal in relation to the Property as part of the regular management of the Property unless agreed between the Landlord and the Agent beforehand or unless as a matter of law the Agent is required to attend. Prices for such work are in the Scale of Charges.

3.9 Will notify the Landlord of any notices the Agent receives in relation to the Property.

3.10 May, at their discretion, prepare and serve legal notices required relating to the letting, subject to the level of service requested.

#### **4. Financial matters**

4.1 The Landlord will indemnify the Agent (not hold the Agent liable) for any claim, damage or liability suffered by the Agent as a result of acting on the Landlord's behalf.

4.2 The Landlord will pay the Agent fees, commission and expenses appropriate to the level of service required by the Landlord as set out on the attached Scale of Charges or any revision of the Scale of Charges notified to the Landlord in accordance with this agreement.

4.3 The Agent will pay for repairs out of rent money held and where the monies held are insufficient to cover the cost of a repair the Landlord will pay the Agent any shortfall upon demand.

4.4 The Agent will negotiate the level of rent to be charged in consultation with the Landlord and may review the rent from time to time as the tenancy agreement, law and rental market permits.

4.5 The Agent shall be entitled to retain interest earned on any money held on the Landlord's behalf and any commission or referral fees from but not limited to insurance companies, referencing companies, utility companies, contractors and any fees charged to tenants earned while acting on the Landlord's behalf. The agent shall charge contractors a commission of between 1-10% on works carried out.

4.6 The Landlord and the Agent will comply with all requirements of HM Revenue and Customs.

4.7 The Agent will, if required, supply duplicate rental statements and annual statements and the Landlord will pay the additional cost as set out on the Scale of Charges.

4.8 Where the Tenant is in receipt of Housing Benefit, the Landlord will pay and indemnify the Agent for (refund to the Agent) any requirement to refund Housing Benefit to the local authority.

4.9 Where there is a claim on the Landlord's insurance, the Agent will, as far as the law permits, assist with the claim where necessary and the Landlord will pay the Agent's fees for this service in accordance with the Scale of Charges.

4.10 The Landlord will pay, reimburse and indemnify the Agent (refund to the Agent) for all costs incurred by the Agent, howsoever arising or incurred by the Agent, in order to keep the Property compliant with the law.

4.11 If the Agent takes a holding fee on the Property from a prospective tenant, if the prospective tenant should default, these funds will be used to reimburse the Agent's costs and expenses.

4.12 The tenancy deposit will be processed in accordance with the requirements of the Housing Act 2004 and deposit protection.

4.12.1 The Agent will choose a suitable scheme and comply with the initial requirements of that scheme.

4.12.2 Deposit monies shall be paid out upon agreement between the Landlord and the Tenant, the decision of an adjudicator or an order of the court.

4.12.3 The Agent will try and assist in resolving any dispute.

#### **5. Notices**

5.1 If the Landlord wishes to cancel this agreement before a tenancy has commenced, the Landlord may do so by writing to the Agent at the Agent's address. If the landlord wishes to cancel within 14 days of the signing of this agreement, then they may cancel by completing the form found to the end of Appendix B below.

5.1.1 If the Agent has committed expenditure or undertaken work, the Landlord agrees to reimburse the Agent with those costs and expenses.

5.1.2 If a ready willing and able tenant has been found, this could be as much as the Let Only Service fee plus other expenses incurred, such as the gas safety check etc.

5.2 If the Landlord wishes to cancel this agreement during a tenancy (Full Management only), the Landlord may do so by writing to the Agent giving reasonable notice to allow for the orderly handover of the property, usually 1 months' written notice.

5.2.1 Please note the Agent will need to be satisfied the deposit will be properly re-protected after being handed over.

5.2.2 In the event of cancellation during a tenancy the agent would be entitled to management fees up to the end of the fixed term.

5.3 If the Agent wishes to end this agreement at any stage the Agent will write to the Landlord giving reasonable a notice to allow the Landlord to appoint another agent, usually 1 months' written notice.

5.4 The Agent reserves the right to cancel their service immediately, without notice, if the actions of the landlord frustrate the agents' ability to perform their role.

5.5 Notice can be posted first class, recorded delivery, hand delivered to the Agent's office or email for notices to the Agent or the last known address of the Landlord for notices to the Landlord.

## **6. Various**

6.1 It is agreed that the Agent may from time to time vary the terms of this agreement (usually annually) and the Scale of Charges in writing. The Agent will notify the Landlord of the proposed variations and such variations shall then form part of this agreement unless the Landlord declines the amendments, by written notification to the Agent within fourteen days of receipt. At least 1 month's notice will be provided.

## **7. Data Protection**

7.1 The Agent is required to be registered for the purposes of the Data Protection Act.

7.2 The Landlord gives consent to their personal data being given to tenants, contractors, enforcement agencies, insurance providers, utility providers, other partners and property management software providers to enable the effective management of the property and to comply with legal duties.

## **8. Energy Performance Certificate**

8.1 An EPC is required by law on all properties marketed for rental or sale in England.

8.2 The importance of providing an EPC and providing receipt by tenant has been increased by the implementation of the Deregulation Act 2015 and the requirement to provide an EPC to the tenant before a Section 21 can be validly served.

8.3 From April 1<sup>st</sup> 2018 the landlord will be unable to grant a tenancy either new, or a renewal, for a property with an asset rating of F and G. From April 2020 the minimum rating of E will apply to all existing tenancies.

8.4 EPCs are valid for 10 years from the date of inspection.

## **10. Gas Safety**

By law, under the Gas Safety (Installation and Use) Regulations 1998, it's your responsibility to get a Gas Safety Certificate every twelve months. You must get this from a Gas Safe Registered engineer for all pipe work, gas appliances and flues installed at your property.

## **11. Electrical Safety**

11.1 Landlords are required by law to ensure, that the electrical installation in a rented property is safe when tenants move in and maintained in a safe condition throughout its duration.

11.2 From April 2018 it will be mandatory for all rental properties to have an electrical installation certificate, as it is mandatory to have a Gas Safety Certificate. 3Keys Property are implementing the Electrical Safety requirement with immediate effect to ensure our landlords are adequately covered when the changes come into place.

11.3 An electrical installation check should be completed on change of occupants i.e. before every new let.

11.4 The Electrical Equipment (Safety) Regulations 2016 commenced on 8<sup>th</sup> December 2016 and applies to any electrical equipment purchased after 8<sup>th</sup> December 2016. Landlords are required to provide Manufacturer Instruction Manuals for all electrical appliances within the property, prior to the start of every tenancy.

## **12. Inventory**

12.1 3Keys Property require an Inventory on every rental property, a full detailed schedule of condition, to be agreed with the tenant at the check in, and to work from to assess any damages at the check-out.

12.2 Without having a comprehensive signed inventory the landlord will be unable to apply for any deductions from the security deposit at the end of the tenancy.

## **13. Deposit Protection**

The ultimate liability for deposit protection is that of the landlord.

For Fully Managed properties the agent will deal with this on your behalf, for Let Only landlords you must protect the deposit in a government-backed tenancy deposit scheme. In England and Wales your deposit can be registered with:

- Deposit Protection Service (Custodial and Insured)
- MyDeposits - including deposits that were held by Capita
- Tenancy Deposit Scheme (Custodial and Insured)

Where the agent is protecting the deposit on your behalf this will be protected with the DPS.

## **14. Legionella Risk Assessment**

Landlords now need to carry out appropriate risk assessments otherwise they may risk prosecution. The risk assessment may be carried out by a third party or the landlord if they are competent to do so but the ultimate responsibility is the landlords.

### **A risk assessment should ask the following questions:**

- Is the water stored between 20 and 45 degrees?
- Is there stagnant water in any areas of the water system, for example redundant pipework?
- Is there rust, sludge, scale or organic matter in the system?
- Do the thermostatic valves on outlets release water within the above temperature range?
- Are there any outlets which are not frequently used, for example showers or taps in second bathrooms?

You should also consider whether your tenants are particularly at risk due to age, illness or weakened immunity.

**What to do if a risk is identified**

Steps should be taken to deal with any risks identified, such as flushing out the system, avoiding debris getting into the system, maintaining the correct temperature and advising tenants of the risks and how to avoid them (for example, flushing out system after periods of lack of use). If any redundant pipework is identified then this should also be removed. The risk assessment should be completed before every new let.

**15. Smoke alarms and Carbon Monoxide Detectors**

The landlord is specifically required to carry out a check to ensure that there is one active working smoke alarm per floor of residential living accommodation, and carbon monoxide detector provided where there is a solid fuel burning appliance.

By way of best practice, the agent requires ALL properties to have a CO2 detector in place.

**16. Money Laundering**

The Agent is required to complete due diligence checks on all landlord clients by taking copies of photographic ID, confirmation of address, confirmation of property ownership on every instruction and by reporting any suspicious activity to the relevant authority.

## **Scale of Charges**

On securing a tenant who enters into a contract to rent at your property, our fees shall be as follows:

	Let Only	Let & Fully Managed
Initial Fee	£295.00	£225.00
Rental PCM		
Up to £400 pcm	-	£40.00
£400 - £549 pcm	-	£45.00
£550 - £649 pcm	-	£50.00
£650 pcm or over	-	£55.00

Any specific advertising requested in newspapers, journals, periodicals etc will be charged to you, but otherwise advertising (including on all the main property portals) is included within our fees.

Fees will be deducted from the first months' advance rental collected from the tenant once the tenancy begins.

### **Re-Let**

On a change of occupants (re-letting of the property) the above fees will apply.

### **Renewal**

Where a tenant remains in occupation and a new tenancy agreement is drawn up, there shall be a fee of £65.00.

PLEASE BE AWARE ALL FEES LISTED ARE PLUS VAT.

### **Miscellaneous Costs**

Gas Safety Certificate £60.00 (no vat)

Electrical Installation Certificate £80.00 (no vat)

Energy Performance Certificate £70.00 (no vat)

Legionella Risk Assessment £60.00 (no vat)

Inventory £75.00 for 2 bedroom properties  
£95.00 for 3 bedroom properties  
£115.00 for 4 bedroom+ properties

The fee chargeable is dependent upon size and content. (no vat)

### **Withdrawing the property** (prior to a let taking place)

If the property is withdrawn for any reason prior to a let taking place, the Landlord will incur advertising charges of £20.00 + vat per week for each week the property is advertised, up to a maximum of £100.00 + vat per property.

### **Additional Services**

Our charge for any other service over and above those outlined herein or in the Levels of Service documents in £25.00 + vat per hour as standard.

### **Sale of Property**

In the event of a tenant or prospective tenant introduced by the Agent completing the purchase of the property at any time, a flat fee of £500.00 + VAT will be payable by the Owner to the Agent on completion.

## **APPENDIX A**

Information relating to distance, on and off-premises contracts

These terms only apply to consumers. If you are a business, these terms do not apply.

- The levels of service available to the landlord can be found in Section 1 of this agreement.
- The trading name of the company is 3Keys Property
- The company can be contacted at:  
Address: 6 Town End, Doncaster, DN5 9AG  
Telephone number: 01302 867888  
Email address: enquiries@3keysproperty.co.uk
- We do not act on behalf of another trader
- The information on the right to cancel, and how to cancel, can be found in Appendix B of this agreement.
- The costs involved with invoking a right to cancel can be found in Appendix B.
- We have ongoing after sales service all available via contact details above.
- We are a member of The Property Redress Scheme.
- The conditions for terminating this contract can be found in Section 5 of the main agreement.

## **APPENDIX B**

### Right to Cancel

You have the right to cancel this contract within 14 days without giving any reason. The cancellation period will expire after 14 days from the day of the conclusion of the contract.

To exercise the right to cancel, you must inform us, 3Keys Property, 6 Town End, Doncaster, DN5 9AG 01302 867888 enquiries@3keysproperty.co.uk of your decision to cancel this contract by a clear statement (e.g. a letter sent by post or email). You may use the attached model cancellation form, but it is not obligatory.

To meet the cancellation deadline, it is sufficient for you to send your communication concerning your exercise of the right to cancel before the cancellation period has expired.

### Effects of cancellation

We will make the reimbursement without undue delay, and not later than 14 days after the day on which we are informed about your decision to cancel this contract.

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

If you requested to begin the performance of services during the cancellation period, you shall pay us an amount which is in proportion to what has been performed until you have communicated us your cancellation from this contact, in comparison with the full coverage of the contract.

### Cancellation Form

To 3Keys Property, 6 Town End, Doncaster, DN5 9AG 01302 867888 enquiries@3keysproperty.co.uk

I/We [\*] hereby give notice that I/We [\*] cancel my/our [\*] contract of sale of the following goods [\*]/for the supply of the following service [\*],

Ordered on[\*]/received on [\*],

Name of consumer(s),

Address of consumer(s),

Signature of consumers(s) (only if this form is notified on paper),

Date

[\*] Delete as appropriate.