

# MANAGEMENT AGREEMENT TERMS AND CONDITIONS



**Address of property to be let:**

**Name & Address of Landlord:**

This Management Agreement is ongoing, apart from the period between tenancies when the house is unoccupied. If you wish to cancel this Agreement at any time, please give three months written notice and send to our office by recorded delivery.

Please note:

This Agreement must be signed and returned before the Tenancy Agreement commences. Direct Housing are members of the Property Redress Scheme, ARLA and NAEA (NFOPP), NLA, MLAS.

Subject to your confirmation of instructions in the letting and management of the above property we will:

1. Take full details of your property and provide a comprehensive presentation of the property to let, complete with colour photographs in order to promote the property to best advantage.
2. Provide where required advice on any aspects of letting, tax implications, the correct form of tenancy, rent the property to let. It is important that the landlord/lady has authorisation from their mortgage /insurance company to rent the property out.
3. Provide marketing support for your property, which will include, where required, internet advertising in order to secure a satisfactory tenant.
4. Negotiate and agree with your approval the terms of letting.
5. Ascertain the applicant's financial standing and, where necessary, secure guarantor/references.
6. Employ the services of a referencing company, where appropriate to carry out status enquiries with the applicants' bank/building society, employer, personal referee, and any prior landlord.
7. Prepare the appropriate Tenancy Agreement and other legal notices and documents in order to comply with current legislation.
8. Accept and hold a tenant's deposit against dilapidations and in compliance with the Tenancy Deposit Scheme.
9. Prepare an inventory and/or schedule of condition as required and agree this with the tenant.
10. Any valuable items of furniture should either be insured or removed from the property. Direct Housing is not an expert on antiques.

11. Collect rents, as far as we are able to, and account with payment to you on 28th of each month.
12. Make authorised payments from your account where necessary.
13. Receive reports from tenants with regard to maintenance and repairs for which you are responsible and instruct trades men to effect such maintenance and repair. (Our duties in this respect are subject to being made aware of any problem arising).
14. If you wish to apply a repairs expenditure limit, please let us know. Otherwise a limit of £100 will apply before we contact you for authority to spend more on any single job. In the event of an emergency, however, we undertake where possible to have carried out all precautions necessary to safeguard your property and tenant with the resultant expenses incurred deemed to be with your authority and on your behalf. In the event that you are unavailable we will use our discretion to ascertain the urgency of such repair and deal with it accordingly.
15. Make periodic management visits throughout the year, the results of which will be kept on file. Any maintenance or repair issues which we consider should be brought to your attention will be done so. Such visits, however, should not be regarded as anything more than a check to ensure that the tenants are observing the conditions of the agreement and that in all respects the property appears to be well cared for by the tenant.
16. At the end of the tenancy carry out dilapidation assessment with the tenant in attendance, where possible, and make such deductions as are provable from the tenants deposit in order to compensate you for such dilapidations. (Fair wear and tear being taken into account).
17. Seek new tenants where applicable in order to ensure continuity of occupancy. Where the property remains unoccupied between letting periods it must be distinctly understood that our management does not include supervision of the property, although in normal circumstances, where we are conducting appointments, periodic visits may be made.
18. Where there is a breach of the tenancy agreement by the tenant, take all necessary steps to resolve the breach and report to you on such an event and on the progress being made to resolve the problem.
19. Advise on tax liability -non-resident landlord. If it is your intention to reside abroad during the period in which your property is let, i.e. you become non-resident in the UK for tax purposes, we as your agent will be held responsible by the Inland Revenue for the payment of any liability which may arise from the rents collected on your behalf. We are obliged, therefore, and indeed authorized under the Taxes Management Act 1970 to deduct tax at the basic rate from the rental income received. Any surplus funds, after settlement, will be forwarded to you for your disposal; Alternatively a letter from the Inland Revenue prior to your departure, confirming that no tax need to be stopped, will be sufficient to allow us to pay gross rent to you.
20. Direct Housing will only accept instructions to let this property if the landlord warrants that all the furniture complies with the Fire and Furnishings (Fire) (Safety) (Amendment) Regulations 1993, that all electrical appliances are safe to use and comply with the Electrical Equipment (Safety) Regulations 1994 and supply a Periodic Inspection Report completed by a NICEIC registered engineer. You confirm that all gas appliances have been checked by a Gas Safe Registered Engineer and will supply a Gas Safety Record to support this. You also confirm that this property has an Energy Performance Certificate and will supply a copy to us. Your signature on this agreement gives your confirmation that these regulations have been complied with.
21. In the event of the client wishing to terminate this agreement, at least three calendar months written notice is required and to pay the agent the full amount of any outstanding monies due to the expiry date of this agreement.
22. It is agreed that the agent may sign all Tenancy Agreements and Housing Act/Rent Act notices unless specific instructions to the contrary are given in writing by the client. Furthermore, the client agrees to indemnify the agent against any loss or claim or damage resulting from their signature or execution of any agreement on behalf of the client.
23. The client will supply to the Agent a set of keys for each person named or to be named on the Tenancy Agreement for the property, otherwise keys will cut and charged to the Client's account. In order to avoid potential security problems we recommend the locks should be changed on each changeover of tenancy. If you wish to undertake the change of locks yourself please let us know. A set of keys will be also be required to be retained in our office in case of emergency at the property.

24. Under the terms of the Landlord and Tenant Act 1985, the client will be responsible to look after the structure of the Property, and central heating and hot water systems and all other service supplies. The client further acknowledges that this is an obligation which belongs and which is not passed on to the tenants.

25. The Client agrees to fit a smoke alarm on each floor of the property to be let, and the said smoke alarm should conform to BS5446 Part 1 or any subsequent amendment thereto. The smoke alarm battery should be changed at the commencement of each new tenancy.

26. The Client agrees that if the property is a HMO, all necessary works have been complied with to meet current regulations. Weekly fire checks will be conducted on all HMO properties included in the management fee.

27. Direct Housing recommend as a matter of good practice by the Landlord Carbon Monoxide detectors are installed in the property for the safety of the tenant.

28. The Client confirms they have carried out legionnaires risk assessment.

### **FEE STRUCTURE (all fees are inclusive of VAT)**

On finding a tenant on your behalf, our fees will be as follows:

(a) £600 plus VAT or the equivalent of 60% incl. VAT of one full calendar month rent (whichever is the lowest) to cover initial costs in setting up the new tenancy, compiling inventories, securing and vetting suitable tenants, etc. (deducted from the first month rent).

Management fee is 12% incl. VAT of monthly rental income payable from the second month onwards. The letting period to include any statutory periodic tenancy that might arise at the end of a fixed term.

(b) The equivalent to 60% incl. VAT of one month rent on change of occupancy and for single tenancy contracts. (Revised inventories, dilapidation's assessments etc.) For renewal of the existing tenancy a charge of £90 incl. VAT is applied for residential properties, £180 incl. VAT for student let properties, to cover our administrative costs.

(c) Additional copies of tenancy agreements, management agreements, statements of account and other items are chargeable at £12 per set.

(d) We also reserve the right to charge for additional extraneous expenses incurred outside normal management activities. i.e. sourcing furniture or other items for the property on your behalf).

(e) Should a 'To Let' board be erected at the property, a charge of £18 will be payable providing the property is let. There is no charge if the property is not let. The landlord agrees not to remove or cause to move the 'To-Let' board, and to contact the Agent for its removal.

### **The Tenancy Deposit**

1. With effect from 6th April 2007, all deposits taken in respect of rented properties have to be protected under law by a Tenancy Deposit Scheme.

Direct Housing is a member of the Tenancy Deposit Scheme.

Tenancy Deposit Scheme  
PO Box 1255,  
Hemel Hempstead,  
Herts  
HP1 9GN  
Tel: 0300 037 1000  
Email: [deposits@tenancydepositscheme.com](mailto:deposits@tenancydepositscheme.com)  
W: [www.tenancydepositscheme.com](http://www.tenancydepositscheme.com)  
Member ID Number: G03076

2. The Agent holds tenancy deposits as Stakeholder (if not already specified within the Tenancy Agreement).

As you may be aware, the Tenancy Deposit Scheme insures the tenants deposit on your behalf against any damages or unpaid rent at your property. A charge of £36 incl. VAT per deposit lodged with them applies. This charge will apply to each new tenancy created and can either be deducted from your rental income or can be paid by you as soon as the tenancy commences.

3. At the end of the tenancy covered by the Tenancy Deposit Scheme

3.1 If there is no dispute we/the Agent will keep any amounts agreed as deductions where expenditure has been incurred on behalf of the Landlord, or repay the whole or the balance of the Deposit according to the conditions of the Tenancy Agreement with the Landlord and the Tenant. Payment of the Deposit will be made within 30 working days of written consent from both parties.

3.2 If, after 30 working days following notification of a dispute to the Member and reasonable attempts have been made in that time to resolve any differences of opinion, there remains an unresolved dispute between the Landlord and the Tenant over the allocation of the Deposit it will (subject to B 4.3 below) be submitted to the ICE for adjudication. All parties agree to co-operate with any adjudication.

3.4 The statutory rights of either you/the Landlord or the Tenant(s) to take legal action against the other party remain unaffected.

3.5 It is not compulsory for the parties to refer the dispute to the ICE for adjudication. The parties may, if either party chooses to do so seek the decision of the Court. However, this process may take longer and may incur further costs. Judges may, because it is a condition of the Tenancy Agreement signed by both parties, refer the dispute back to the ICE for adjudication. If the parties do agree that the dispute should be resolved by the ICE, they must accept the decision of the ICE as final and binding.

3.6 If there is a dispute I/we must remit to The Dispute Service Ltd the full deposit, less any amounts already agreed by the parties and paid over to them. This must be done within 30 working days of being told that a dispute has been registered whether or not you or I/we want to contest it. Failure to do so will not delay the adjudication but The Dispute Service Ltd will take appropriate action to recover the deposit and discipline me/us.

3.7 The Agent/we must co-operate with the ICE in the adjudication of the dispute and follow any recommendations concerning the method of the resolution of the dispute.

#### **4. Incorrect Information**

The Landlord warrants that all the information he has provided to the Agent is correct to the best of his knowledge and belief. In the event that the Landlord provides incorrect information to the Agent which causes the Agent to suffer loss or causes legal proceedings to be taken the landlord agrees to reimburse and compensate the Agent for all losses suffered.

Please see attached 'Right to cancel' policy.

## STATEMENT

I confirm that I have read and understood the attached terms and conditions and hereby authorise Direct Housing Ltd to act on my behalf in the letting and management of the aforementioned property during the agreed letting period, to sign agreements, to collect rents where due on my behalf and to take all necessary actions on my behalf in the maintenance of the subject property. I agree to pay by deduction from rental income, the Management and Miscellaneous fees (where appropriate) as set out in the attached terms and conditions of which I retain copy and to indemnify the Company for all costs on my behalf. I understand my contact details may be shared with my tenants. I agree that my information will only be passed to bodies with a legitimate interest in the property / tenancy. I confirm that I am the sole owner of this property

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**Landlord Name:**

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**Address:**

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**Phone Number:**

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**Email address:**

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**Signed by Landlord:**

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**Signed by Direct Housing:**

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**Date:**

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\* For our full Data Protection Policy please refer to [www.direct-housing.co.uk](http://www.direct-housing.co.uk)

**Direct Housing Ltd.**

543 Bristol Road, Selly Oak, Birmingham B29 6AU

Tel: 0121 472 3331

Email: [selloak@direct-housing.co.uk](mailto:selloak@direct-housing.co.uk)

# PROPERTY DESCRIPTION SHEET



<b>PROPERTY ADDRESS</b>						
<b>DATE AVAILABLE</b>		<b>NUMBER OF BEDROOMS</b>		<b>RENT TO ACHIEVE</b>		
<b>DOUBLE BEDROOMS</b>		<b>SINGLE BEDROOMS</b>		<i>Please note that If a bedroom is advertised as a double, ideally a double bed should be provided.</i>		
<b>BUSINESS USE / PARKING RESTRICTIONS</b>						
<b>PROPERTY DESCRIPTION</b>	<i>Please give as many details as possible.</i>					
<b>CURRENT TENANT(S) CONTACT DETAILS</b>	<i>To ensure we can give them 24 hours' notice before accessing the property</i>					
<b>PROPERTY CERTIFICATES, DO YOU HAVE:</b>						
<b>CURRENT GAS CERTIFICATE?</b>	Yes	No	<b>EPC CERTIFICATE</b>	Yes	No	
<b>ELECTRICAL PERIODIC INSPECTION REPORT CERT</b>	Yes	No	<b>COMPREHENSIVE BUILDINGS INSURANCE</b>	Yes	No	
				<b>HMO CERTIFICATE</b>	Yes	No
				<b>PAT TEST CERTIFICATE</b>	Yes	No
<i>If you do not have any of the above we can arrange them for you. If you do have the above, please supply a copy.</i>						