



Terms and Conditions/ Property Management Agreement

Rehman Property Consultancy (RPC Services Ltd)

Offices in Burnley and Horwich

TERMS AND CONDITIONS FOR CLIENTS

Please see our current price list for 2018/2019 charges

Please see our Property Condition Guidelines outlining standards we require to include properties on our books.

Letting

Sourcing Tenants:

We will advise on the probability of finding tenants for your property, and a realistic rental rate for the property. Once this is agreed and your property is placed on our books for letting it will be marketed until a suitable tenant is found

We will also take up references following the council guidelines on referencing and prepare tenancy agreements. Please note that although we do have private rental tenants, most of our tenants are in receipt of housing benefit. If the tenant is a single person under age 35 and without children, we require a guarantor. Until legislation forbids it we will charge tenants a non-returnable administration fee to move into a property. When this becomes illegal we will require a deposit from every tenant and this will be lodged with the DPS.

Our charge for finding a tenant is one month's rent (plus VAT) or £250 (plus VAT)- whichever is lower, to be paid when the first rent is received either from the tenant if private, or from the Council or Universal Credit if housing benefit. If the tenant leaves before the completion of the initial six months tenancy agreement, RPC will find a replacement tenant without additional charge.

We will send you by email a copy of the tenancy agreement and a photograph of your tenant.

Transfer from another agent:

There is an initial set-up charge of £150 (plus VAT) per property for accepting a new account with current tenants from an existing agent.

Benefit Administration:

Currently Housing Benefit is assessed by Local Housing Allowance which is paid directly to the tenant. However, if the tenant is 8 weeks in arrears this benefit is paid to the landlord or letting agent. In order to qualify for this, we put in the tenancy agreement that the tenant must pay 8 weeks in advance when taking on the property. As a result of this the benefit is paid directly to us from the start, eliminating the possibility of the tenant using the rent allowance for other expenses. Please note that this means the tenant will technically always be 8 weeks in arrears, even when their rent is completely up to date for the weeks they have lived in the property. We will keep landlords informed of any changes to benefits, either to your individual tenant, or major changes within the benefits system itself, such as claimants being moved to Universal Credit. We insist that tenants sign a disclosure statement so the council can speak to us about suspended benefit. RPC work closely with the council and tenants to ensure that benefits continue to be paid. We also assist tenants in the initial completing of forms needed to claim Local Housing Allowance, and work closely with the council to process applications as part of the initial Tenant Finding Fee. RPC also work with the DWP and Universal Credit and do our best to collect the housing benefit element of this payment as efficiently as possible.

We pass the rent collected (less the management charge and VAT) on to you every four weeks or monthly, depending on how the benefit is paid to us. You will be sent a statement giving a 4 weekly or monthly consolidated report of full details of the rent collected, rent passed to you and management fee.

Private Rent:

We have a number of private tenants who pay rent from their own sources rather than from benefits, as well as tenants who get limited housing benefit and pay the difference between the benefit and rent due. We encourage tenants to set up standing orders for the rent, but in the majority of cases we call at the properties and collect the rent by arrangement with the tenant.

Letting Management:

Rent Collection

Our commission is based on the rent collected. Our fees depend on the number, location and condition of the properties we manage for individual landlords, and range between 10% and 15% plus VAT, depending on the number of properties managed and their location. Our duties as managing agents will be as follows:

Collecting rent from the council or Universal Credit in the case of housing benefit, and from the tenant in the case of private tenants and tenants who are paid benefits directly from the DWP or council.

Collecting any top-up rents agreed (please note, although tenants may agree to top up, in practice it is not always possible to collect this, but we do our best and keep you informed). We notify the landlord of any issues raised by the tenant regarding necessary repairs, arrange emergency call-outs, deal with any emergencies and generally oversee the property and tenant.

Making 6 monthly visits to the property, to ensure the property is being maintained by the tenant in accordance with the Tenancy Agreement.

Notifying you of any matters relating to the basic structure, repairs and maintenance, and main services of the property.

Repairs and Maintenance:

Here we would like to be given a free hand on repairs without referral, say £250 which will enable us to deal with urgent repairs immediately. For more substantial items of repair, we will quote you our best price and no work will

be carried out until we have you or your representative's consent. If you do not want us to undertake the repair, there is a charge for a schedule of work and quotation from RPC if you do not use us for the repair, but you are free to appoint your own sub-contractor to carry out work. However, it will be your responsibility to arrange access with the tenant and inspect when the work is completed. If the property is empty, we will give keys to your contractor on your instructions. Please Note: We must have an emergency number or email to contact you at all times in case of emergency. If we cannot contact you we will proceed with emergency repairs and will with-hold the cost of this emergency work from your next rent.

The Landlord is responsible for refunding to the DSS any housing benefit payments made in error or fraudulently claimed. The Landlord is responsible for any bills including council tax, rates, or utilities bills incurred prior to tenants moving in, or between tenant's occupancy. The Landlord is responsible for boarding/security arrangements for the property when it is unoccupied. RPC can supply and install boarding and will give you a quotation if this becomes necessary.

Empty Properties:

The Landlord will normally ask RPC to re-let empty properties, and sometimes properties need to be refurbished or redecorated between tenancies. If the landlord opts to leave the property boarded up and does not seek to re-let it, RPC will charge a monthly fee for keeping an eye on the property. (Please refer to the current price list) If there are any call-outs to the property, the monthly fee covers RPC attendance. This includes going to the property plus up to one hour attendance. If we have to stay longer (for example waiting for the Police for a crime reference number) there is an additional charge for extended waiting time. (See price list) The same applies for call-outs to meet insurance adjustors, meet council environmental officers, show the property to prospective buyers or similar attendance requirements for properties on our books but not available to let. .

Mortgage and Insurance Surveys:

There will be a charge for RPC to arrange access to properties by surveyors and to meet them at the property for mortgage or insurance purposes. (Please refer to the price list) Tenants do not like being disrupted in their homes, and we try to sort these with minimum disturbance to the tenants. However, if the property is empty and you just want us to give the key to your surveyor there will be no charge.

Client Bank Account:

RPC have a separate Client Bank Account with Barclays bank, and all client money is kept in that account, separate from the RPC business accounts. Rent money and any deposits for repairs or refurbishments go into that account, and all money there is fully accountable as Client's money. Your rent will be paid to you out of that account. That account also pays to RPC Services the agent fee on rent collected, and money for repairs that are being with-held from rents at the landlord's request. The account is a current non-interest paying account because rents are paid out as soon as they clear and the paperwork is processed. We are members on NALS * (The National Approved Letting Scheme) and comply with all their regulations. We are a registered SafeAgent and members of The Property Ombudsman.

*The National Approved Letting Scheme is an accreditation scheme for lettings and management agents offering peace of mind to landlords and tenants in knowing that they are dealing with a firm which agrees to meet defined standards of customer service, together with having in place the necessary insurances to protect clients' money plus a customer complaints procedure offering independent redress.

Buying and Selling Property

RPC will assist investors in buying and selling property. If Landlords want to sell we will consider buying and will make an offer if suitable. We can advise owners about local agents and auctioneers and liaise with them (for example supply the estate agent with a key to the property, providing copies of gas certificates etc.). There is no charge from RPC if you place your property with

an estate agent and they subsequently sell it for you. However, it is up to the estate agent to arrange viewings etc. If RPC are required to do this there will be a charge for attending the property to give access to the agent. (See current price list)

Refurbishing

RPC will obtain competitive quotes from reputable builders and present the client with the best available offer. We require 50% of the refurbishment cost up front before we can start the work. The release of the funds/cheques to the builders will be controlled by RPC in order to keep the work progressing under our supervision. A second interim payment of 25% of the cost will be due when the work is well underway. When the work is completed the client is invited to visit and sign it off. At that stage the final 25% is due. All RPC invoices are subject to VAT.

Refurbishment work will be carried out according to the client's wishes. NOTE: By law any property to let must have a Gas Safe Certificate and EPC (Energy Performance Certificate) and the councils are now asking for an Electrical Certificate as well. These are normally obtained before or at the same time as the refurbishment work are signed off. Refurbishment work will also have damp course certificates and FENSA certificates for replacement windows where this work is part of the refurbishment.

Ending the agreement

You are required to give us 2 calendar months' notice if you wish to end this agreement, and you must settle any outstanding invoices prior to our handing over certificates, keys etc to you or to a new managing agent. Alternatively, you can settle any outstanding bills and pay an exit fee of £200 plus VAT if you wish to leave without giving notice.

By signing this agreement, the property owner enters a contract with RPC and agrees to comply with the terms and conditions listed above.

Property addresses (s)

Client (Landlord) name, address and contact number

Signed

Date

Witness

Countersigned on behalf of RPC Lettings (RPC Services Ltd trading as Rehman Property Consultancy)