



TERMS OF BUSINESS



JANUARY 1, 2017

VV PROPERTIES

Suite 145 Devonshire House, 582 Honeypt Lane, Stanmore, Middlesex, HA7 1JS

VV PROPERTIES – LANDLORDS CONFIRMATION OF INSTRUCTION

Address of the Property to be let

I confirm that I am the legal owner of the above Property and appoint VV Properties to act as my Agent on the terms stated in this agreement.

Landlord's details

Mr/Mrs/Dr/Mr

First Name

Surname

Address

Email

Telephone

Co-Landlord

Mr/Mrs/Dr/Mr

First Name

Surname

Address

Email

Telephone

Bank

Account Name

Account Number

Sort Code

I confirm that I have had sufficient time to read and understand the terms of business stated in this document and I agree to be bound by them. My liability to pay ongoing renewal fees has been explained to me.

I hereby instruct VV Properties to let my Property in the following agreed terms.

Full Management Service at 15.6% (VAT INCLUSIVE)

Letting Service agreed at 9.6% (VAT INCLUSIVE)

Let plus Rent Collection at 12% (VAT INCLUSIVE)

By instructing VV properties to let my property, I agree to pay Renewal Fees of 9.6% (VAT INCLUSIVE)

FREE – Register my tenant's deposit with TDS and serve prescribed information.

I am a member of DPS My Deposits and undertake to register the tenants deposit as required.

Landlord

Date

Co-Landlord

Date

Signed on behalf of VV Properties

Date

I confirm I wish VV properties to commence marketing immediately. I understand that I may have the right to cancel this agreement under the Consumer Contracts (information, cancellation and Additional Charges) Regulations 2013 within 14 days from the date it is signed (see clause 10 before completing).

Terms of Business

1. Definitions

In the following terms & conditions of business the below expression shall have the following meaning unless the context otherwise require:

“Tenant” shall mean any one or more individuals or corporate entities introduced by us or named as tenant or occupant in the tenancy agreement or lease. Where the tenant is a company the definition of the tenant will include any parent company, any subsidiary or member of the same group.

“The Tenancy” shall mean the entire period that the tenant remains in occupation of the property including any extension or renewal or period of holding over whether by way of memorandum, verbal or written agreement or otherwise.

“Rent” shall mean any payment to be made by the Tenant or the agent(s) of the Tenant for use of the property whether expressed to be rent, a premium or any other form of payment whether paid directly by the tenant or his agent(s) or obtained from the Tenant’s deposit. Unless otherwise agreed, the rent quoted to a tenant, on your behalf, will be inclusive of all outgoings which you are liable as Landlord, such as service charges, building and contents insurance etc., but will exclude telephone, gas, electricity, water and sewerage rates and council tax (or any charge that may replace it) which are the payments for which the tenant is, in most circumstances, responsible.

“Commission” shall mean the commission or fees, details of which are set out in section 2 below.

“Renewal(s)” shall mean when any of the same tenants, introduced by and/or credit checked by VV Properties remain in occupation (meaning that any of the same tenants hold-over, renew, extend or enter

into a new fixed term tenancy) after the end of the initial term

“VonVic Global” trading as VV Properties whose Registered Office address is Suite 145 Devonshire House, 582 Honeypot Lane, Stanmore, Middlesex, HA7 1JS.

“Stakeholder” shall mean that VV Properties will hold the Tenant’s deposit in a client account until the termination of the tenancy and the written agreement of both parties to any deductions to be made from the deposit.

“ICE” means the Independent Case Examiner of the Dispute Service.

“Joint and Several” shall mean that jointly client landlords are liable to pay the commission, fees and any other charge of VV Properties specified in the Agreement until all payments are made in full.

“Agreement” shall mean terms and conditions of business signed between the client landlord and VV Properties.

“Property” shall mean the Property address detailed on the confirmation of instructions page of the Agreement.

“Agent” shall mean VV Properties.

“LS” shall mean Letting Service.

“RC” shall mean Rent Collection Service.

“MS” shall mean Management Service

“Periodic tenancy” shall mean where a fixed term tenancy has ended and the tenancy is continuing without a further fixed term being entered into. This is sometimes known as ‘holding over’.

“You / Your/ Yourself” shall mean the Client Landlord(s)

“In Writing” shall mean by letter or email

2. Letting Service, Commissions and fees

Below we set out our commissions and fees for the services we offer. You should read them very carefully and **we would draw your attention specifically to paragraph 2.3 headed “Renewals / Renewal Fees”**. All commissions, fees and charges are subject to VAT at the prevailing rate.

Under the Terms and Conditions below, you will be liable to pay VV Properties commission fees in respect of the initial fixed term tenancy and also in respect of the periods after the end of that initial period where the original Tenant introduced by VV Properties remains in occupation, whether under a new agreement or by the initial agreement being “Renewals”. Where there is more than one tenant, Renewal Commission will be payable in full where any or all of the original tenants remain in occupation or have assigned their tenancy through VV Properties. Renewal Commission will be charged in advance, see 2.3 “Renewals / renewal Fee”.

VV Properties commissions are based on a percentage of the rent due by the tenant throughout the term of the initial tenancy and any subsequent renewal, extensions or holding over of the tenancy or any continued tenancy of any tenant introduced by VV Properties.

Once an offer has been accepted orally or in Writing by you, we will take up a tenant assessment. This is completed via a specialist referencing company, which includes a credit search and may include verification of past address, current and past employment, CCJ and bankruptcy searches etc. Upon acceptance, VV Properties will take out an insurance policy and offer you a Rent & legal Guarantee for the Initial Six to Twelve Month Term which we will provide you with free of charge. When this acceptance is received and we have confirmed to you that the rent and Legal Guarantee is active, we will take this as sufficient to confirm approval by you of the tenant(s) as acceptable. If you subsequently inform us that you do not wish to proceed with the tenancy you will be charged the Letting service fee.

Letting Service

Kindly note that VV Properties is a member of The Property Ombudsman (TPO) and we operate according to TPO’s Code of Practice, you can visit the TPO website at: www.tpos.co.uk

In providing the Letting Service VV Properties

- a) Provide a market appraisal and agree on a marketing strategy for your property.
- b) Market your property appropriately at the agreed rental.
- c) Introduce a prospective tenant for the property.
- d) Carry out a tenant assessment. This is completed via a specialist reference company, which includes a credit search and may include verification of past addresses, current and past employment, CCJ and bankruptcy searches, etc. Upon acceptance, unless agreed otherwise we will take out a policy to offer you a guarantee and legal backup for six or twelve months. The rent guarantee and legal backup is included in the letting service for the initial term up to a maximum of 12 months. Please see clause titles Rent Guarantee terms and conditions below.
- e) Carry out the required pre tenancy ‘Right to Rent’ checks and any follow up checks as required. Follow up checks will only be made whilst we are instructed under these terms of business.

- f) Negotiate the terms of the initial and any subsequent Tenancy between You and the Tenant and ensure that any appropriate tenancy agreement is prepared and signed by the tenant and either by you or on your behalf.
- g) Collect and hold as Stakeholder any Deposit paid by the Tenant against damage or breach of the tenancy agreement.
- h) Serve Prescribed Information within the required timescales where we hold the Deposit as Stakeholders.
- i) Arrange for the preparation of an independent third party inventory, prior to the commencement of the tenancy, this will be at your cost of £120-£200 (inclusive of VAT) depending on the size of the property.
- j) In the event of a change of Tenant during the Tenancy we will negotiate that change with you, take up a tenant assessment on the new tenant(s) and either arrange an alteration of tenancy or arrange to end the current tenancy, and draw up the appropriate documentation for the tenancy.
- k) Within 10 working days of the commencement of the tenancy, we will dispatch a statement of account along with any supporting paperwork and funds which may be due to you.

2.1 Letting only Service Fees

VV Properties commission, unless otherwise stated, is 9.6% (inclusive of VAT) of the total rent payable for the entire length of the tenancy stated in the tenancy agreement (example £1,000pcm x 12m x 9.6% = £1,152), payable in advance before the commencement of the tenancy and for any Renewal, whether or not we have arranged such Renewal. These fees become due:

- a) If we are the effective cause of introduction of tenant(s) who enter into a tenancy on the property.
- b) If we introduce tenants who are acceptable as laid out in these Terms of Business, or confirmed as such by you, whether or not that tenant enters into occupation of the property as a result of your withdrawal from the transaction for whatever reason.
- c) Should a tenancy be entered into with tenant(s) not introduced by us but by another agent or by any person, using any marketing material commissioned by us to market your property including but not limited to photos, videos, floor plans or description.

2.2 Rent Collection Service Fees

VV properties commission, unless otherwise stated, is 6% (inclusive of VAT) of the monthly rent payable for the entire length of the tenancy stated in the tenancy agreement (example £1,000pcm x 6% = £60), payable monthly upon commencement of the tenancy and for any Renewal, whether or not we have arranged such Renewal. These fees become due when we provide the following services:

- a) Collection of rental income and remittance to the landlord less any fees or expenses due or incurred within the period where applicable – a monthly statement of account is also produced with each payment.
- b) Implementing Rental Increases

2.3 Full Management Service

VV properties commission, unless otherwise stated, is 15.6% (inclusive of VAT) of the annual rent payable for the entire length of the tenancy stated in the tenancy agreement (example £1,000pcm x 15.6% = £156), payable in advance before the commencement of the tenancy and for any

Renewal, whether or not we have arranged such Renewal. These fees become due when we provide the following services:

- a) General Maintenance
- b) Co-ordinating repairs or maintenance including arranging for tradesmen to visit the property and obtain estimates where necessary, supervising works and settling accounts from rent received - while forwarding receipts and necessary evidence to the Landlord.
- c) Advising utility providers and the council of transfer of service contract to tenant (s) at the beginning of each tenancy.
- d) Holding of keys throughout the term of the tenancy
- e) Arrangement of Gas certificate and Energy Performance Certificate
- f) Arrangement of check in inventory (landlord's cost) and check out inventory (tenant's cost); at the end of each tenancy dealing with unfair wear and tear and making deductions from the tenant's deposit accordingly
- g) Regular inspections and responsibility for the management of an empty property.
- h) Non-Resident Landlord Scheme Registration – ensuring that landlords are registered so that they are exempt from rental income tax
- i) Tenant assistance – readily accessible to help tenant's resolve any issues
- j) Collection and forwarding Landlord's letters and correspondence.

2.4 Sole Letting Rights

A discount of 1.8% inclusive of VAT will be applied to our letting service fee in consideration of you granting VV Properties sole letting rights.

Sole Letting Rights: Will mean that the agreed fee becomes due to us if, during the period of our sole letting right agreement, a tenant is introduced, irrespective of who introduces them.

For avoidance of doubt, if anyone is introduced to the property by any party, including you, enters into a tenancy, our sole letting right fees will become due at the rate stated on the Landlords Confirmation.

Sole letting rights will be for an initial minimum period of two weeks and will continue until the expiry of the written notice to terminate (see 2.9) which can be served at any time before the tenant assessment is complete and the tenants are acceptable as laid out in these terms of Business.

2.5 Renewals / Renewal Fees

If the Tenant enters into a Renewal beyond the initial fixed terms and the Tenancy is formally renewed for any further fixed term, the letting renewal fee payable will be reduced to the rate of 9.6% inclusive of VAT of the total rent payable for the entire length of the renewal (i.e. £1,000pcm x 12m x 9.6% = £1,152). Where a Tenancy continues beyond the initial fixed term and is allowed to continue as a Periodic Tenancy or the Tenant is holding over, there is no reduction in our fees or standard letting fee of 12% inclusive of VAT remains payable quarterly in advance. For the avoidance of doubt, renewal fees are payable where any of the same tenant(s) renew for a second, third or any subsequent term thereafter. Where the initial tenancy is for a fixed term of six months, the second six months of this Tenancy up to one year will be charged at the same rate as the first Six Months. Please note that the letting service including the liability to pay renewals can only be ended by terminating the Tenancy.

2.6 Late Payment Charges

Payment of Fees not received within 7 working days of delivery of our Advice Note or Renewal of the tenancy, whichever is the later (unless agreed in Writing) will be liable to pay interest at 8% above Barclays Base rate and will incur a fee of £150 (inclusive of VAT) to cover administration costs.

2.7 Early Departure of Tenant & Refunds

Should the Tenant leave the property of their own accord, prior to the expiration of the Tenancy, it is your responsibility to take the appropriate legal action to recover any outstanding rent, possession or compensation from the Tenant. If you have taken out our Management Service, VV Properties will make the necessary arrangements on your behalf.

Where a tenant ceases to pay Rent and You are unable to recover the debt either through the court or insurance or any other means, VV Properties will refund commission from the time of cessation of rent, providing that we are given the property to re-let for a period of two calendar months from the date of vacant possession or from when the property is in a condition to be let.

In the event that a tenancy is ended prematurely by a tenant, VV Properties will refund any commission paid for the unexpired period providing:

- At least six months of the tenancy has elapsed
- VV Properties are given two calendar months to re-let the property on sole letting rights basis.
- The fees cannot be recovered from the tenant under the terms of the Tenancy agreement.

If VV Properties are unable to introduce a suitable Tenant within two calendar months a refund will be given calculated on the overpayment made from the date of the vacation by the Tenant.

Where you bring a tenancy to an end prematurely for whatever reason if VV Properties are not given the opportunity to re-let the property, no refund will be given unless you can demonstrate negligence or a material breach of the Agreement on the part of VV Properties.

2.8 Rent Guarantee Terms and Conditions

In support of our prospective Tenant Referencing Service, the Agent is prepared to provide to the Landlord a guarantee (in accordance with and subject to the terms set out below) for the payment of certain limited rent in respect of such Tenant should it fall into rent arrears for any reason and will procure that this rent is paid for the account of the Landlord.

The Agent's obligation to the Landlord is that in the event that there are any defaults in the payment of the Rent (as set out in the initial tenancy agreement) by the Tenant(s)/Guarantor(s) within the period of the tenancy (from the date upon which the tenancy agreement is stated to commence, as set out in any tenancy agreement) and provided that the tenancy commencement is within 60 days of the reference being given if the reference was before the tenancy commencement date, the Agent will pay Rent monthly, in arrears:

Up to a maximum of the monthly rent specified in the tenancy Agreement until Vacant possession has been gained.

Payments will be made subject to any deductions agreed in this agency Agreement. Deductions will also be made for any outstanding charges due from the Landlord.

In the event of payments being made under this Guarantee, all rights of the Landlord to recover such sums shall be subrogated to the Agent or their insurer in order to affect recovery of sums paid (in the name of the Landlord if necessary or expedient). By signing this Agreement, the Landlord confirms and agrees to the same. Recovery of rents paid out shall be at the sole discretion of the Agent.

Payments shall be made by the agent subject to the following conditions being met by the Landlord:

- A satisfactory reference has been obtained for each tenant and each guarantor from a licensed referencing service before the tenancy starts and that all the terms of the reference have been complied with.
- A detailed inventory of the contents and the condition of the property has been carried out and agreed to by the tenant.
- Clear and up to date rental records have been kept.
- The tenant(s) are 18 years of age or more.
- There is an appropriate and correctly executed tenancy agreement in place that has been signed by all parties.
- One month's rent and a deposit of at least one month's rent has been collected prior to the occupation of the property by the tenant.

Should the Landlord receive any funds from any Tenant(s)/Guarantor(s) after any date of default which results in the Agent having to pay any monies to the Landlord under the terms of this guarantee, the Landlord shall immediately notify the Agent of such receipt and shall forward such funds (up to the amount paid by the Agent) to the Agent immediately on receipt of the same.

Payments will not be paid out under this guarantee if:

- Any default is reported to the agent after 31 days from when the rent was due.
- The default has arisen due to the Landlord not fulfilling their obligations as specified in the tenancy agreement.
- The landlord acts without the consent of or against the advice of the Agent.
- The Landlord is in breach of any rules or requirements relating to the deposit.
- Where an allegation of dishonesty or violent behaviour has been made against the Landlord
- The arrears relate to someone legally taking your property away from you, or restrictions or controls are placed on your property by any government or public or local authority.
- A defence and / or a counterclaim is raised during the course of any proceedings instigated by the tenant(s) seeking to off-set unpaid rent.

What to do in the event of a rental default:

In the event the tenant(s) fails to pay rent due under the terms and conditions of the tenancy agreement:

- a. The tenant must be contacted within 7 days of the rent due date to establish the reason for the default. If the rent has not been settled within a further 7 days the tenant must be contacted again to see if they remain in the property, and the guarantor informed.

- b. If the tenant cannot be contacted and it is lawful to do so the Landlord must serve a notice of requirement to undertake an inspection in accordance with the tenancy agreement in order to establish if the tenant remains in the property.
- c. Contact the Agent in Writing within 30 days of the first default.

In order for payment of rent to be paid to the Landlord under this guarantee the following documents are required by the Agent:

- A copy of the tenancy agreement.
- A copy of the guarantor agreement applicable.
- Copies of the references for the tenant(s) and guarantor(s).
- An up to date rent schedule.
- A copy of the inventory.
- Copies of any notices issued and correspondence exchanges.
- A copy of the Land registry.
- Confirmation that the deposit taken has been properly protected in accordance with legislation.

This Guarantee is part of the service standard for our vetting service and you will receive immediate and automatic protection with the vetting service at no extra charge upon the start of a tenancy agreement whilst this agency Agreement remains in force.

2.9 Proof of Ownership and ID Checks

Under current legislation we are required to verify the identity of the Landlord and/or the beneficial owner of property we are asked to let. Unless sufficient verification is available we will be unable to continue with marketing the property. Should the business relationship continue, further periodic verification checks may be required.

2.10 Indemnity

You undertake to keep VV properties fully and effectively indemnified in respect of any claim, demand, liability, cost, expense or prosecution which may arise due to the failure of the landlord to comply fully with the terms of all relevant regulations, including any subsequent amendments thereto or replacement regulations. You agree to indemnify VV Properties as agents against any costs, expenses or liabilities incurred or imposed on us, provided they were incurred on your behalf in pursuit of our normal duties.

2.11 Termination

This agreement will commence on the signing of the Landlords Confirmation and will last for the duration of The Tenancy, and will come to an end when the Tenancy Is terminated.

Sole Letting Rights Agreement; where this has been granted the Sole Letting Right can be terminated at any point prior to the tenant assessment being completed and the tenants being deemed acceptable as laid out in these Terms of Business, by giving 2 weeks written notice.

3. Additional service, statutory requirement

3.1 Tenancy Agreement

There is no additional cost for preparing and executing any tenancy agreement on your behalf. If you wish use an agreement drafted by your solicitor, please supply us with a draft at least two

weeks before the tenancy is due to commence. Should you wish us to review and comment on the document, there will be a charge of £150 (inclusive of VAT).

Where a tenant wishes to supply their own tenancy agreement, we will review the documentation and negotiate any amendments and additional clauses necessary to meet your requirements, for which there will be a charge of £150 (inclusive of VAT) charged to the tenants.

3.2 Inventory

We strongly recommend that an independent inventory clerk is employed to prepare an inventory and check in at the commencement and termination of the tenancy. **NB** for all Managed properties an inventory is obligatory. The cost of the inventory will be your responsibility for the Check-In and the Tenant's for the Check-Out. The cost depends on the size of the property and will range from £120 to £200 (inclusive of VAT) (£80 for a one-bedroom property with an additional £20 payable for every extra room). Please note that the rent guarantee will not be valid without an inventory. **Whilst we will always recommend an inventory clerk known to us, and will always ensure they carry Professional Indemnity insurance, we cannot accept responsibility or liability for any errors or omissions on their behalf. In the event of any error or omissions which may come to light, we will of course contact the inventory clerk in an effort to amend the errors and omissions.**

3.3 Cleaning

We recommend that the property is professionally cleaned prior to the tenancy commencing. – NB for all Managed property cleaning is obligatory. The tenants are expected to leave the property in the same condition, or be liable for the cost of any cleaning service required to bring the property back to the same standard of cleanliness. We work with an approved panel of cleaning companies. Price starts from **£200.00** incl vat. An exact quote can be provided upon request.

3.4 The Gas Safety (Installation and Use) Regulations 1988

Under the above regulations, it is your responsibility to ensure that all gas appliances and the fixed installations are maintained in good order and checked for safety at least every 12 months by a Gas Safe registered engineer. It is a criminal offence if the landlord does not provide the tenant with a valid certificate prior to the commencement of the tenancy and any renewal.

VV Properties can arrange for the Gas Safety Inspection to be carried out on your behalf upon receipt of a written request to do so. The cost of such will be £90 Inc. VAT plus the cost of any additional works required in order for the Gas Safety Certificate to be issued.

If VV Properties are instructed to manage the property, we will ensure a valid Gas Safety Certificate is issued to the tenants as necessary. We reserve the right to appoint a Gas Safe registered engineer to inspect all gas appliances and their installations and carry out remedial works where necessary. The cost incurred will be added to your invoice.

3.5 The Electrical Equipment (Safety) Regulation 1994

You are legally responsible for ensuring that the electrical installation and all appliances within the property are maintained in good order and regularly checked for safety by an appropriate registered engineer. All electrical appliances/equipment/wiring must be checked by a qualified electrician, with fixed installations at least once every 5 years or as necessary and portable appliances provided by the landlord annually. **VV Properties can arrange for both the PIR**

(Periodic Inspection Report) and PAT (Portable Appliance Test) to be carried out with our NICEIC registered electricians a quote can be given on request.

3.6 Energy Performance Certificate – EPC

It is a criminal offence if a property is let without an EPC. An EPC must be available to commence marketing and a copy made available to any prospective tenants.

VV Properties will require a copy of the EPC and accompanying recommendations report at the time of being instructed by you. We can arrange to have an EPC carried out for you at a cost of **£108 (VAT INCLUSIVE)**.

3.7 Right to Rent

The landlord is responsible to ensure all adult occupants have the right to rent in the UK. Failure to comply carries serious penalties including fines up to £3,000 per occupant. VV Properties will provide pre tenancy checks to ensure the tenant/s have the right to rent at the commencement of the tenancy and will also provide further follow up checks as required.

3.8 Statements

Should you require additional copies of statements there is an administration charge of £15 (VAT INCLUSIVE) for each copy provided or £96 (VAT INCLUSIVE) for all full set of 12 months' statement.

3.9 Income and Expenditure Report

If VV Properties are instructed on a Rent Collection or Full Management service, we are able to provide an income and expenditure report at a charge of £120 (VAT INCLUSIVE) upon written request from the landlord. The charge(s) will be deducted from the next rental payment received from the tenant.

3.10 Key Cutting

At the start of the tenancy, we will require a full set of keys for each tenant and/or occupant. If the property is managed by us, we will require a further two sets to be held by our management department and the local office. If you are unable to supply us with the correct number of keys, we can arrange for further keys to be cut at your expense.

3.11 Service of Section 21 Notices or Section 8 Notices to Tenants

With all Assured Shorthold Tenancies, unless the tenant voluntarily surrenders the property, it will be necessary to serve the tenant with a valid notice under section 21 of the Housing Act 1988. This notice must be served at least two clear calendar months (often prior to the rent due date) and in Writing. Upon Your written instructions we can serve this notice for you but we cannot be held responsible for any delay in regaining possession if you fail to give us sufficient written warning that You require possession. Sometimes a tenant will fail to comply with the notice and you will need to commence County Court proceedings to obtain possession order. We can direct you to solicitors who are specialists in this field; you will be responsible for their fees. For all other tenancies there is no notice to be served at the end of the fixed term, although it is wise you inform the tenant that you will require vacant possession at that time.

There are a number of circumstances that can invalidate the notice. Please consult your lawyer for further information.

Should you wish VV Properties to serve either a Section 21 Notice or Section 8 Notice to the tenants to obtain vacant possession of the property, there will be an administration charge of £60 (VAT INCLUSIVE). This service is included as part of our Management Service free of charge.

3.12 The Tenancy Deposit Scheme (TDS)

Unless otherwise agreed, this will normally be a sum equivalent to six weeks' rent. VV Properties are members of the Dispute Service and all deposits held by us are protected by this scheme. VV Properties will not make any charge for protecting a tenant's deposit. VV Properties will hold the deposit as Stakeholder in a designated client account and any interest accrued thereon will not be credited to either you or to the tenant. When providing our LS, we will not become involved in any way in the agreement of charges from the deposit, which must be agreed directly between you and the tenant. VV properties will not release deposit monies either to you or the tenant without prior agreement in Writing from both parties to the amounts to be paid out.

- a. If instructed on a full management service VV Properties will handle the return of the deposit at the end of the tenancy. We will negotiate and complete the necessary forms on your behalf should there be a dispute.
- b. If VV Properties is instructed by you to hold the Deposit, we shall do so under the terms of the tenancy Deposit Scheme.
- c. If you decide to hold the deposit yourself, you warrant that you will protect the deposit in line with legal requirements including the service of prescribed information to the tenant and that you will be responsible for all fees and charges associated with obtaining membership to an authorised scheme (where required) and protecting the deposit itself.
- d. You further agree that you will fully indemnify VV Properties against any claim by the tenant howsoever arising, as a result of your holding of the deposit. You will be required to provide proof of your membership of an authorised scheme.
- e. If there is no dispute, we 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 terms and conditions of the tenancy agreement between the Landlord and the Tenant. Payment of the Deposit will be made within 10 working days of written consent from both parties.
- f. The Landlord and tenant have 3 months from the tenancy ending to submit a dispute to the TDS. All parties agree to co-operate with any adjudication.
- g. When the amount in dispute is over £5,000 the landlord and the tenant will agree by signing the tenancy agreement to submit the dispute to formal arbitration through the engagement of an arbitrator appointed by the ICE although, with the written consent of both parties, the ICE may at his/her own discretion accept the dispute for adjudication. The appointment of an arbitrator will incur an administration fee, to be fixed by the Board of the Dispute Service Ltd from time to time, shared equally between the Landlord and the Tenant. The liability for any subsequent costs will be dependent upon the award made by the arbitrator.
- h. The statutory rights of both the Landlord and Tenant to take legal action against the other party remain unaffected.
- i. 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 decision.
- j. If there is a dispute 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 ten working

days of being told that a dispute has been registered whether or not you or we want to contest it. Failure to do so will delay adjudication.

- k. 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.
- l. You warrant that all the information you have provided to VV Properties is correct to the best of your knowledge and belief. In the event that you provide incorrect information to VV Properties which causes us to suffer loss or causes legal proceedings to be taken you agree to reimburse and compensate VV properties for all losses suffered.

3.13 Landlord and Tenant Act 1985

Section 11 to 16 of the above Act state that you must keep in repair and good working order:

- a. The structure and exterior of the property (including the drains, gutters and down pipes)
- b. The installations for the supply of the water, gas, electricity, heating and hot water and;
- c. Sanitations including basins, sinks, baths, and sanitary conveniences.

3.14 The Furniture and Furnishings (Fire) (Safety) regulations 1988 (Amended 1993)

- a. It is illegal for a Landlord to let a property that does not meet all the fire resistance requirements. In brief, the regulations require that the upholstered furniture (lounge suites, headboards, mattresses, bed bases etc.) must have fire resistant filling and the covering material must have passed a cigarette resistance test.
- b. You warrant that you are fully aware of the terms and conditions of the above regulations including any subsequent amendments or replacement regulations (hereafter referred to as Regulations). You declare that all furniture presently in the property or to be included in a property to which an agreement applies, complies in all respect with these regulations. You further warrant that any furniture purchased for the property after the date of this agreement will also comply with the Regulations for the duration of the tenancy and any Renewals.

3.15 Legionnaire's Disease Risk Assessment

Health and Safety Executive (HSE) legislation requires all residential letting property to carry out a regular legionella risk assessment which then allows a suitable control scheme to be implemented if required. Although not as widely publicised as other safety regulations the consequences of non-compliance can be as severe up to and including significant fines and a custodial sentence, by signing this Agreement You acknowledge Your responsibility for the safety of the Tenant at the premises and have considered all risks regarding legionnaires disease. Please visit hse.gov.uk for more information.

3.16 Consumer Protection Legislation

Under the Consumer Protection from Unfair Trading Regulation the Landlord must advise a potential tenant of anything that may affect their decision to rent the property. As your agent we therefore require you to notify us in Writing of any relevant information such as major repairs, construction or maintenance work; any planning or other fact or condition you are aware of that are due to be carried out to the property or the building of which the property forms part, or any neighbouring building, which may affect the letting of the property.

3.17 Smoke and Carbon Monoxide Alarms

Landlords must install a working smoke and carbon monoxide alarm in their properties. Smoke alarms must be fitted on every habitable level. A Carbon monoxide alarm must be fitted in every

room where solid fuel can be burned. The alarms must be in working order on the first day of the tenancy and must be checked regularly.

4 General Information

4.1 Insurance

The property and its contents should be comprehensively insured to include third party and occupiers' liability risks. You must inform your insurer of your intention to let the property, failure to do so could render the policy void. You should obtain detailed advice from your insurers as to the nature and extent of the cover required. We strongly recommend you arrange for an insurance policy which covers, contracts, loss of rent legal expenses and landlord liability.

4.2 Leasehold Property

If the property to be let is leasehold, it is Your responsibility to ensure (1) you obtain any required permission under the terms of the lease; (2) the intended letting is for a period expiring prior to the expiry of your lease; (3) the written permission of your superior landlord is obtained and license to sub-let is granted, if necessary.

4.3 Mortgages

Where the property is subject to mortgage or loan, it is your responsibility to ensure that written permission to let is obtained from the mortgage company and/or the lender. By entering into this agreement you confirm that you have obtained this permission. Please note that if you apply for permission after a Tenant has been found this could prejudice the tenancy. A Tenant may request sight of the written confirmation. If the property is registered with the Land Registry we reserve the right to obtain office copy entries. If the property is unregistered, we reserve the right to carry out such investigations that we consider necessary.

4.4 To let board

Unless instructed to the contrary, or local legislation and/or property covenants disallow, you grant consent for VV Properties to erect a "to let board" at the property. As Landlord, you agree not to allow the display of any other board whilst VV properties board is displayed, as this would contravene Town and Country Planning regulations. You should arrange the removal of any other agent's board displayed before VV Properties board is to be erected.

4.5 Marketing

We reserve the right to use any images, videos or marketing material, commissioned by VV properties of the Property for any further marketing purposes required.

4.6 Contractors

Our panel of appointed contractors are constantly monitored to ensure that all members comply with our high standards of quality, cost and reliability. We will endeavour to use any contractor specified by you but cannot guarantee to do so particularly in an emergency. Whilst exercising all due care and attention in our choice and administration of contractors, we cannot accept any responsibility for any loss or damage caused by the neglect or default of any contractor. We will always ensure any contractor used carries Professional Indemnity and Public Liability Insurance and we will of course, in the case of any loss or damage, liaise with the contractor and use our best endeavours to have the situation resolved. We will not be responsible for any loss or damage that you suffer through act, default or negligence of any

contractors appointed by you. By appointing your own contractor, you are accepting responsibility for ensuring the contractors used are fully insured and professionally certified.

Please note, all third party invoicing (including inventories and cleaning) include a 12% arrangement charge of the net amount.

4.7 Disclaimer

VV Properties will carry out all services with reasonable care and skill. However, we are unable to guarantee the suitability of tenants, timely rental payments or vacant possession at the end of a tenancy and cannot be held liable by you for such events. We will not be responsible for any loss or damage that you suffer through the act, default or negligence of any third party, including any bank, which may arise; otherwise than through the negligence or failure on the part of VV Properties.

4.8 VV Properties Complaints Procedure

We are members of the Property Ombudsman Scheme and have a prescribed complaints procedure. If you are unhappy with any aspect of our service and wish to make a complaint you are invited to contact the individual member of staff concerned or should you rather, contact the business manager. A copy of our complaints procedure is available on request at any time. You can visit the TPO website at: www.tpos.co.uk

4.9 Entire Agreement and variations

VV Properties intends to rely upon written terms set out in this terms and conditions. You are reminded again to read them very carefully. If you require any changes, please make sure you ask for these to be put in Writing. IN that way, we can avoid any problems surrounding what VV Properties and you are each expected to do. Should you wish to make any amendments to this agreement, please discuss them with the business manager and make sure that these are put in Writing and agreed in Writing.

Please note that any variations to these terms and conditions will not be valid unless approved and agreed in Writing by the Business Manager.

Rent Collection and Management – (Not applicable for letting service)

5. Rent Collection Service

In addition to the Letting Service detailed above, VV Properties will also:

- a. Receive the rent on your behalf and forward net rent to your bank account within 10 working days of receipt.
- b. Upon receipt of rent prepare and submit statements to you and/or your accountant.
- c. Ensure that any claim through a Rent Guarantee Policy is overseen and all the necessary legal notices are served upon the tenants to regain possession.
- d. Where necessary provide advice and assistance to you in taking action against the tenant for any breaches of the tenancy agreement or continued late payment of rent at VV Properties' discretion.

5.1 Rent Collection Service Fees

VV Properties' commission for rent collection service is **4.5%** plus VAT of the total rent payable for the entire length of the tenancy stated in the tenancy agreement and/or any extensions or continuations, payable at the same frequency as the rent received (i.e. £1,000pcm x 4.5% = £45).

5.2 Termination of the Rent Collection Service

After a period of no less than 3 months either party can terminate the rent Collection Service by serving 3 months' written notice from the rent in due date, except in the case of a material breach of contract or serious negligence on behalf of VV properties when you shall give one month's notice to terminate their service. Termination of the Rent Collection Service does not negate your obligations under the Letting Service.

6. Management Service

In addition to the Letting Service & Rent Collection Service detailed above, VV Properties will also:

- a. Arrange for the inventory to be checked at the termination of the Tenancy and a Check Out report to be supplied. Any damage or other breaches of the tenancy agreement that may have occurred during the tenancy will be recorded in the report. A copy of this report is sent to you and the Tenant. Both parties must agree what amount (if any) is to be deducted from the Deposit. VV Properties is unable to release Deposit monies to either You or the Tenant without the prior consent of both parties.
- b. Make all reasonable endeavours to notify the Local Authority and service companies (gas, electricity, water) of a change of occupant or user at the commencement and termination of the tenancy. Please see clause 6.5 for further information.
- c. Pay from rent received current out goings such as service charges, insurance premiums, maintenance contracts, etc., subject to us holding sufficient funds on your behalf and provided that the relevant accounts are sent directly to us. Although we will do our best to query any obvious discrepancies, it must be understood we are entitled to accept and pay without question demands and accounts which appear to be in order. Please note you are expected to instruct your insurers, managing agents, in writing, to send their account to us for payment. We cannot accept any liability for any inadequacy of any insurance cover or for the verification service and maintenance charge demands or estimates, where applicable.
- d. Carry out routine property visits on a six monthly basis (if no serious defect requiring investigation has been reported to us in the meantime) and report to you on each occasion. It should be appreciated that any such visit and assessment of those defects which are brought to our notice would be of a cursory nature and would embrace only apparent or obvious defects. It would not amount in any way to a structural or other survey. Any further visit by us or structural or other survey by a qualified body would be by special arrangement and subject to an additional fee (as defined by 6.5b). We cannot be held responsible or liable for any hidden or latent defects within the property.
- e. Deal with day to day management matters including minor works up to a maximum of £250 for any item without further instruction from you.
- f. Deal with matters of redecoration, renewal, replacement or repair between £250 and £500 with your oral authority (except in the case of an emergency or when it is impractical to do so). Except in an emergency, whenever practical, estimates will be obtained and submitted to you for works likely to cost more than £500. Upon receipt of your written approval of such estimated, we will organise the works to be carried out.
- g. All works carried out carry a supervision charge of 12% of the invoiced cost (VAT INCLUSIVE).

- h. Put in hand any cleaning and repair works arising from the schedule of damages as outlined in clause **(M)** above (subject to availability of funds held on your behalf) and obtained estimates for major works if appropriate. We will submit the same to both you and the tenant requesting written agreement of the amount to be deducted from the deposit before remitting the monies.
- i. Arrange and pay for rent received the costs of any cleaning and minor repairs on a change of tenancy during our management.
- j. When managing a property let by another party VV Properties will require copies of the tenancy agreement, inventory, Gas Safety Certificate, EPC, appliance guarantees and warranties, tenancy references and any other relevant notices or documents relating to the property and tenancy. We will also require a set of keys for the property.
- k. Unless otherwise agreed in Writing in advance, our appointments as managing agents is for the duration of the tenancy as defined in this Agreement, subject to three months' written notice to terminate on either side. IN the event such termination takes place VV properties remain entitled to commission under Letting Service.
- l. We emphasise that our standard of Management Service as set out above does not apply when the property is vacant. We shall be pleased to discuss your requirement for our Caretaking Service during void periods, which is subject to a separate charge as defined in paragraph 6.5a below.
- m. By signing this Agreement, you will give us authority to organise and where necessary supervise minor repair/routine works to comply with your statutory repairing obligations under Section 11 of the Landlord and Tenant Act 1985 and any other of the safety regulations highlighted below or which may come into force during the Tenancy.
- n. Should the value of the costs exceed the monthly rent we will require payment of the balance of the invoice within seven days.

6.1 Management Service Fees

The Management Service is a separate service to the Letting Service and can be taken by itself or in conjunction with the Letting Service, in which case the agreed Letting Service fee will be in addition to the Management Service fee. The fee for the Management Service is 6% (VAT INCLUSIVE) of the total Rent payable for the entire length of the Tenancy and/or any extension or continuation, payable at the same frequency as the rent received (i.e. £1,000pcm x 6% = £60). The Management Service Fee remains payable regardless of whether the rent is received by VV Properties.

6.2 Termination of the Management Service

After a period of no less than 3 months either party can terminate the Management Service by serving 3 months' written notice from the rent due date, except in the case of a material breach of contract or serious negligence on behalf of VV properties when you shall give one month's notice to terminate their service. Termination of the Management Service does not negate your obligation under the Letting Service.

6.3 Rent remittance

We prefer to collect rent by Standing Order and all tenants are encouraged to pay this way. Please note, while we request tenants set up a Standing Order for payment of their rent, we cannot ensure this is set up as the tenant's bank will not take instruction from us, only the account holder. Should the tenants fail to set up a Standing Order, we cannot be liable for this. In the event that a tenant informs us they do not wish to pay their rent by Standing Order, we will seek your approval to proceed by a different method.

Collecting rent by Standing Order and remitting to your account is quicker than most other methods, although is likely to take 3 to 5 working days from the date of the standing order to clear the banking system into our account. Thereafter our system automatically pays the rent by BACS to your account. It can take a further 3 to 5 working days to clear through the internal banking system before it reaches your account. If your tenant is paying by any other method it can take up to 14 working days from VV Properties receiving the money and it entering your account, Rental transfers are handled by VV Properties through a designated client account and no interest is paid for the time monies are held in that account.

A statement is sent to you electronically every time rent is paid. We cannot be held responsible if the Tenant fails to pay their rent.

We will, however, take such action in your name as appropriate in the circumstances to recover Rent arrears; this is usually by telephone in the first instance and then by letter, advising of Late Payment Charges which will be incurred as an administration fee for chasing payment. The third and final letter sent to the Tenant informs them that we are advising you to take legal advice to recover the outstanding rent.

Should you be in the initial term of the tenancy or should you have opted to renew your Rent Guarantee, VV Properties will assist you with the rent Guarantee and Legal Expenses Claim. If you have not renewed your Rent Guarantee you will be responsible for any legal charges and expenses incurred.

6.4 Income Tax & Non-resident Landlord Scheme

You are responsible for notifying HRM Revenue & Customs (HMRC) of the Tenancy, we cannot do this on your behalf. Income from letting a UK property is subject to UK income tax, even if you are resident abroad. The liability for tax arises whether the non-resident landlord is an individual, an overseas registered/resident company or an overseas resident trust. The Non-Resident Landlord Scheme is a scheme operated by HMRC for taxing the UK rental income of non-resident landlords. The scheme requires UK lettings agents to deduct basic rate tax from any rent collected. You are considered to be non-resident if your usual abode is outside the UK or you are absent from the UK for a period of more than six months.

You can apply to HMRC for approval to receive rents without tax being deducted. If your application is successful, then once we have received written confirmation of their decision we will pay you the rent without deducting tax. The eventual liability for tax may be less than the amount forwarded to HMRC but any overpayment will have to be reclaimed at the end of each tax year when you submit your self-assessment tax return.

Where a non-resident landlord does not have the approval from HMRC, we charge £60 (VAT INCLUSIVE) for submitting quarterly returns and an annual return. We complete the annual return and send you a certificate showing the amount of tax that we have paid on your behalf. No interest is paid to landlords on tax retentions held by VV Properties.

VV Properties must be provided with a UK residential address for service. If we are not provided with a UK residential address, we are obliged to assume that a landlord is non-residential and we will operate the provisions of the scheme. VV Properties will also be obliged to start the landlord's correspondence address on the tenancy agreement as c/o VV Properties office address.

Where we do not deduct the tax which should have been deducted under the scheme we are entitled to recover this money from you at a later date, along with any other costs that are imposed on us by HMRC.

Landlords who are resident outside the UK are not entitled to hold the deposit for the duration of the tenancy.

6.5 Utility Management

1. **Your personal information and property details will be passed to our Utility Management Partner, name, who will attend to the transfer of your energy and service supply during the void period to our preferred utility supplier, Green Energy. Name may also collect additional information on each property as necessary to provide the service.**
2. Any property transferred to Green Energy during any void period will have the energy supplied on Green Energy's standard tariff with a quarterly payment method unless any meter is a pre-payment meter. The Landlord will be responsible for any charges and usage during this period of time.
3. Details of our privacy policy can be found on our website www.vv-properties.com.

7 Additional Chargeable Services for Managed Clients

a. Caretaking Service

Upon receipt of your written instructions VV Properties can arrange for scheduled visits to your property. The visits take place during normal working hours from Monday to Friday and the charge for this service is £75 (VAT INCLUSIVE) per visit. It should be apprehended that any visit can only extend to obvious visual defect will not amount in any way to an expert investigation or structural survey of the property. VV Properties cannot accept responsibility for hidden latent defects.

b. Additional property visits

Should you require further property visits in addition to our normal six monthly visits included in our management service we are able to arrange further visit at a cost of £75.00 (VAT INCLUSIVE), provided that the frequency of any additional visit does not interfere with the tenant's rights to the quiet enjoyment.

c. Waiting at properties

If VV Properties or You need to instruct a contractor to attend the Property who is unable to collect the Keys from our office, or give a specific date and time of call, we will charge a waiting time at the property at the rate of £30 per hour (VAT INCLUSIVE), but subject to a minimum charge of £60 (VAT INCLUSIVE).

d. Income and expenditure report

There is a charge of £120.00 (VAT INCLUSIVE) for any income and expenditure report that is required for annual tax purposes or other accountancy requirements. The charge(s) will be deducted from the next rental payment received from the Tenant. If for some reason we are not in receipt of the rent the charge(s) is payable in advance.

e. Copies of Statements and Documents

Should you require copies of statements or documents already provided to You these are charged at £12 (VAT INCLUSIVE) per statement.

f. Consent to Let

Should you require VV Properties to obtain the written consent of your superior landlord there is a charge of £60 (VAT INCLUSIVE). You will be responsible for any additional fees levied by the superior landlord for the granting of consent and any license to sub-let required.

8 General information for Management Clients

a. Instructions to solicitors

Should any Rent arrears or breach of contract be brought to our attention, VV Properties will endeavour to inform you as soon as possible as is reasonably predictable. Thereafter you will become responsible for instructing your own solicitor as necessary and for all their fees and charges involved. We cannot take legal action for you as the tenancy contract is between you and your tenant. We have no liability in any circumstance for arrears of Rent or other breaches of the tenancy agreement.

b. Protecting the Property against frost damage

Our standard tenancy agreement requires the Tenant to take sensible precautions to protect the property against frost damage. If your insurer has specific requirements regarding your property during a vacant period, please advise VV Properties. A Tenant cannot be held liable for any loss suffered if he is not made aware of these restrictions.

c. Premature Surrender

Our tenancy agreement states that if the Tenant leaves the property without giving a forwarding address and we are unable to make contact with the Tenant within 14 days of VV Properties becoming aware, we will seek your instructions regarding the changing of locks to secure the property and re-letting of the property.

d. After formal surrender

Our Management Service does not include supervision of your property when it is vacant (e.g. waiting to be let), although our letting staff will report any problems that come to their attention when they visit the property with applicants.

e. Mail

Please ensure you set up a mail re-direction for your post. It is not part of our normal activity to forward your mail. Therefore, we cannot take responsibility for mail sent to you at the property. We recommend that you arrange for it to be redirected by the Post Office.

f. Interest on clients' monies

Any interest accrued on clients' money which we are holding, will be retained by VV Properties to cover bank and other administration charges.

g. Reimbursement of agent

You will keep us reimbursed in respect of any claim, damage or liability suffered during the time that we are, or were acting on your behalf, unless due to negligence or lack of action on our part. For the avoidance of any doubt we reserve the right to have work carried out on your behalf, and to charge you for that work, to ensure that you fulfil your contractual and statutory obligations as Landlord.

9 Instruction of agent

By signing and returning this Agreement, you irrevocably instruct VV Properties to act on your behalf, as your Agent, with your full authority to sign or complete on your behalf, all documents necessary to carry out the effective management of your property, upon terms we consider to be reasonably acceptable to you. Unless otherwise instructed in Writing, VV Properties will not sign any tenancy agreements on your behalf.

10 Right to Cancel

Should you sign these terms of business, you have a 14 days "Cooling off Period/Right to cancel". To exercise your right, you must inform us in writing. Under the cancellation regulations we cannot begin providing you with the service described within these terms unless you have requested that we begin the service in writing. You may do this by completing the relevant section on the confirmation of instruction (page 2).



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