

**TERMS OF BUSINESS**  
**FIND TENANT ONLY SERVICE**



**[www.southernbrook.co.uk](http://www.southernbrook.co.uk)**



**arla | propertymark**



This Agreement is made between the Landlord of the Property (as named at the end of this Agreement) and Southernbrook 'Gosport' Limited who agree to act as sole agent for the Landlord for letting the property and are hereinafter referred to as "the Agent". The purpose of this document is to set out clearly and concisely the extent of the letting and management service offered and the scale of fees charged.

**The terms of the Agreement set out in this document will constitute a binding legal contract. If you are unsure of your obligations under this Agreement, then you are advised to take independent legal advice before signing. This Agreement is set out to comply with the requirements of the Provision of Services Regulations 2009 SI 2999.**

**FIND TENANT ONLY SERVICE** Southernbrook 'Gosport' Ltd provides a find tenant only service to owners wishing to let out their property and carry out their own property management.

The Find Tenant Only Service includes:

1. Advising as to the likely rental income.
2. Advertising and generally marketing the Property.
3. Interviewing prospective tenants and conducting viewings. Upon application to rent the property the Agent will, if requested by the Landlord take up full references. This may be carried out by the agent or through a third-party referencing company. Where necessary, additional security would be requested by means of a guarantor.
4. Providing a suitable tenancy agreement for the Property
5. Taking a deposit from the Tenant, dealing with this deposit under the requirements of the Agent's/Landlord's chosen deposit protection scheme until the end of the tenancy when the Property and contents have been checked.

**Additional items will be charged according to the scale of fees at the end of this agreement.**

## **1. GENERAL AUTHORITY:**

The Landlord confirms that he/she is the sole or joint owner of the Property and has the right to rent out the Property under the terms of the mortgage or head lease. The Landlord agrees to provide the Agent with proof of ownership prior to the tenancy commencing. Where necessary, the Landlord confirms that permission to let has been granted by the mortgagee and will provide documentation confirming this to the Agent. The Landlord also agrees to provide the Agent with a form of identification. The Landlord authorises the Agent to carry out the various usual duties of property management including those listed in items 1-5 of the Find Tenant Only Service. The Landlord also agrees that the Agent may take and hold deposits and comply with the requirements of any tenancy deposit scheme that may apply to that deposit. It is declared that the Agent may earn and retain commissions from third party companies in the pursuit of letting/managing the Property. The Agent declares that fees may be charged to either Landlord for ancillary services (e.g key cutting) and that such fees will include a profit element to cover the Agents business and administrative costs.

### **1.1. REFERENCING:**

Upon request from the Landlord, the Agent will carry out referencing checks on any prospective tenants. This may be carried out by the Agent themselves or through a third party referencing supplier. The Agent will make reasonable endeavours to select good tenants with appropriate references who are capable of meeting the monthly rental payments. However, the Agent will not be responsible where fraudulent or incorrect information has been provided by applicants and the Agent had no reason to believe the information to be fraudulent or incorrect. Where a third party referencing supplier report shows the applicants to be suitable tenants and the Agent has reviewed the report with the Landlord and has no reason to believe that the information is incorrect or has been fraudulently supplied the Agent will not be responsible for any default by the Tenant.

## **2. LIABILITY FOR TENANT DEFAULT:**

Although the aim is to take every care in selecting a suitable tenant for the Property, the Agent cannot accept responsibility for non-payment of rent, damage or other default by tenants, or any associated legal costs incurred in their collection where the Agent has acted correctly in terms of this Agreement, or on the Landlord's instructions. An insurance policy is recommended for this eventuality.

## **3. AGENT REMUNERATION:**

**3.1** The Landlord agrees to pay Find Tenant Only fee at the agreed rate. This fee applies once a tenant is introduced to the Property by the Agent and the Tenant enters into a Tenancy Agreement.

**3.2** The Landlord agrees to pay the Agent for any reasonable costs, expenses or liabilities incurred or imposed on the Agent provided that they were incurred on behalf of the Landlord in pursuit of the Agent's normal duties within the scope of

authority given by this agency agreement. To assist the Agent in carrying out his duties effectively, the Landlord agrees to respond promptly with instructions where necessary to any correspondence or requests from the Agent.

**3.3 .** Where the agreement is cancelled under the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (or previous consumer contract legislation) the Landlord agrees to repay any reasonable costs incurred by the Agent in carrying out his duties before the cancellation of the contract (see clause 15.3).

**3.4** The Landlord agrees to indemnify the Agent for any loss, damage, penalty or fine (whether civil or criminal) or associated costs suffered as a result of the Agent providing services to the Landlord, except where this is attributable to the negligence of the Agent

**3.5** The Landlord agrees that any work carried out by the Agent for the Landlord beyond that set out in this Agreement, which is within the Agents general authority will be charged at an agreed hourly rate.

#### **4. OVERSEAS RESIDENTS:**

When letting property and collecting rents for non-UK resident landlords (NRL) i.e. landlords living overseas, the Agent is obliged by the Income Tax Act 2007 and the Taxation of Income from Land (Non-Residents) Regulations 1995 to deduct tax (at the basic tax rate) to cover any tax liability, unless the Landlord has been authorised in writing by HM Revenue and Customs (HMRC) to receive rent gross. In this situation, the Agent also requests that the Landlord appoints an accountant or reserves to the Agent the right to employ a suitably qualified accountant in order to manage correspondence with the Inland Revenue. A standard annual charge will be made for this work and the Agent may charge reasonable administration expenses for further work requested by the Landlord, the Landlord's accountant or the HMRC in connection with such tax liabilities.

#### **5. COUNCIL TAX:**

Payment of Council tax will normally be the responsibility of the Tenants in the Property. However, landlords should be aware that where a property is empty, let as holiday accommodation, or let as a house in multiple occupation (HMO) responsibility for payment of council tax then rests with the owner of the Property.

#### **6. SERVICES:**

The Landlord will be responsible under the Find Tenant Only service to inform the utility companies (electricity, gas and water) of the meter readings and change of occupation. In many cases, the service companies (e.g. BT) require that the new occupiers formally request and authorise the service and it is not possible for the Landlord/Agent to do this on the Tenant's behalf. Regarding mail, Landlords should take care to inform all parties (e.g. Banks, clubs, societies etc.) of their new address; it is not always possible to rely on tenants to forward mail.

#### **7. INVENTORY:**

The deposit protection schemes established under the terms of the Housing Act 2004 advise that all landlords need to be protected by good inventory and condition reports from the outset. Upon request by the Landlord, the Agent will arrange for an inventory to be carried out and a charge will be made for this depending on the size of the Property as per the scale of fees. The inventory service will include all removable items in the Property (except those of negligible value) plus carpets, paintwork, wall coverings, curtains, mirrors, sanitary ware and other articles that, in the opinion of the Agent, need regular checking. Landlords should not leave any articles of exceptional value in the Property without prior arrangement with the Agent. The inventory service will include a full schedule of condition (condition, colour & decoration of ceilings, walls, doors & door fittings etc.), with accompanying photographs, and a full report will be kept on file by the Agent for the term of the tenancy.

#### **8. TENANCY AGREEMENT:**

The Find Tenant Only Service includes the preparation of a tenancy agreement in the Agent's standard form(s). Should the Landlord, advisors or mortgagees require amendment of the contract or require the Agent enter into further work or correspondence, a fee for this extra work may be requested (or you may have the tenancy agreement amended by your own adviser at your own expense). It is agreed that the Agent may sign the tenancy agreement(s) on behalf of the Landlord.

#### **9. NOTICES:**

The Agent will, upon request of the Landlord, serve the usual legal notices on the Tenant(s) in order to terminate the tenancy, increase the Rent, or for any other purpose that supports the good management of the Property, or the timely return of the Deposit at the end of the Tenancy. Fees will be charged for this service as per the scale of fees.

## **10. HOLDING DEPOSIT:**

A holding deposit is usually taken from a tenant applying to rent a property. The purpose of this deposit is to verify the Tenant's serious intent to proceed, this deposit is the equivalent to one week's rent. This deposit does not protect the Landlord against loss of rent due to the Tenant deciding to withdraw, or references proving unsuitable. Upon the commencement of the Tenancy Agreement, this deposit will be credited to the Tenant's account towards the first month's rent. Should the tenant fail referencing due to misleading information provided against their application, or withdraw their application to rent the Property, the Agent reserves the right to retain any costs incurred.

## **11. TENANCY DEPOSITS:**

**11.1 Deposits** A tenancy deposit will be payable by the Tenant prior to or upon signing the tenancy agreement in addition to any rent due. The purpose of the tenancy deposit is to protect the Landlord against loss of rent or damage to the Property during the tenancy itself. The Deposit will be kept in a separate and secure client account ready for refunding (less any charges due) at the end of the tenancy or forwarded to one of the Government-regulated deposit schemes listed below.

**11.2 Statutory Tenancy Deposit Protection.** Where the tenancy is an assured shorthold tenancy, the Landlord or Agent is legally required to ensure that any tenancy deposit taken under the tenancy is protected within one of three statutory tenancy deposit schemes within 30 days of receipt. The schemes are:

- (1) The Deposit Protection Service (DPS)
- (2) My Deposits
- (3) Tenancy Deposit Scheme (TDS)

**11.3 Tenancy Deposit Information.** Where statutory tenancy deposit protection applies to a tenancy deposit, and the deposit is received by the Agent, the Agent will within 30 days of receipt of the deposit, provide to the Tenant and any other Relevant Person, the Prescribed Information required under The Housing Act 2004.

**More information on the requirements of the deposit protection schemes is available on the following website(s) and landlords are strongly urged to familiarize themselves with their legal responsibilities:**

<https://www.gov.uk/tenancy-deposit-protection>

## **12. TENANCY CHECK OUT:**

**12.1** Following the departure of tenants, and upon request by the Landlord, and as per scale of fees, a final inspection (Check Out) of the Property will be carried out. Testing of all the electrical appliances, heating system and plumbing is not feasible during this inspection; a qualified contractor should be appointed for this purpose should it be required by the Landlord. The Agent, or appointed Inventory Company, will endeavour to report any apparent deficiencies or dilapidations to the Landlord (and, if appropriate, to the relevant tenancy deposit scheme administrator) together with any recommended deductions or replacement values if requested by the Landlord

## **13. TENANCY DEPOSIT DISPUTES:**

**13.1** Upon request of the Landlord, and as per scale of fees, the Agent can attempt, by negotiation, to resolve any deposit disputes between the Landlord and the Tenant. Where the Deposit is subject to statutory tenancy deposit protection, and a dispute cannot be resolved between the parties, then it will be necessary to submit the claim to the tenancy deposit administrators for adjudication under an alternative dispute resolution (ADR) process or to take Small Claims action in the County Court. An estimate of the likely costs of preparing and submitting the claim to adjudication or for Small Claims will be prepared by the Agent, and a fee will be payable for this Service.

**13.2** The Landlord agrees that in the event of a deposit going into dispute and being submitted to the adjudicators, that any outstanding bills for cleaning or repairs subject to the dispute process will be settled by the Landlord and any monies due repaid to the Landlord from the deposit subject to the findings of the adjudicators.

## **14. TERMINATION:**

**14.1 Termination of Agency Agreement.** This Agreement may be terminated by either party by way of six months' written notice.

**14.2 Serious Breach of this Agreement.** The Landlord or Agent may terminate this Agreement on 14 days notice if there is a fundamental breach of this Agreement, and the other party does not remedy the breach within 14 days. Discrimination

against any applicant, tenant, employee or sub-contractor for gender, race, age disability, religious belief, or sexual orientation may constitute a fundamental breach.

**14.3 Minimum Fee.** The Minimum Fee applies if on termination the total fees due are less than the Minimum Fee. Where cancellation of this Agreement is unavoidable due to circumstances beyond the control of either party, the Minimum Fee may not apply and any pre-payments will be returned to the person entitled to them, less any expenses reasonably incurred to the date of cancellation.

The Minimum Fee will also apply if the Agent introduces a Tenant to the Property, who finds the Property as a result of the Agents marketing efforts, or the Tenant is otherwise introduced to the Property during the Agents period of sole agency, and enters into a Tenancy Agreement with the Landlord.

**14.4 Tenancy Agreement.** The Landlord shall provide the Agent with any requirements for return and repossession of the Property at the earliest opportunity. Landlords should be aware that any tenancy agreement entered into on the Landlord's behalf is a binding legal agreement for the term agreed. Details of any tenancy agreement being entered into will be communicated to the Landlord as soon as possible. Landlords should be aware that the legal minimum notice period to tenants under assured shorthold tenancies is generally two months (should the contract allow for early termination) and this needs to be given even in the case of a fixed term tenancy which is due to expire.

**14.5 Agreements signed away from the Agents office.** Where the Landlord is a consumer (being an individual acting wholly or mainly outside of their own trade or business) and this Agency Agreement is signed:

- at a place which is not the Agent's office;
- at the Agent's offices but following a meeting between the parties away from the Agent's offices; or
- without meeting face to face at all.

The Landlord has a right to cancel under consumer protection legislation within 14 days ('a cooling off period') of the date of this Agreement. A cancellation notice is available at the end of this Agreement. Where the Landlord waives his right to cancellation by agreeing to the Agent carrying out works immediately following the date of this Agreement he will be responsible for any reasonable costs incurred by the Agent in carrying out their duties if the Landlord cancels this contract during the 'cooling off' period.

## **15. SOLE LETTING RIGHTS:**

It is agreed that Southernbrook Lettings will be the Sole Agent for an initial period of 8 weeks. Should another Agent be instructed during this period a fee will become payable (See Scale of Fees)

## **16. SAFETY AND ENERGY PERFORMANCE REGULATIONS:**

**WARNING: You should read and understand these obligations before signing overleaf.**

**16.1** The letting of property is now closely regulated with respect to consumer safety. The law makes particular demands regarding the safety, servicing and inspection of the gas and electric appliances and installations within a property, and with respect to the safety of furniture and soft furnishings provided. The following regulations (as amended) apply:

- Furniture and Furnishings (Fire)(Safety) Regulations 1988
- General Product Safety Regulations 2005
- Gas Safety (Installation and Use) Regulations 1998 & 2018
- Electrical Equipment (Safety) Regulations 1994 & 2016
- Plugs and Sockets (Safety) Regulations 1994

**16.2** The Landlord confirms that they are aware of these obligations and that the Agent has provided sufficient information to assist with compliance. It is agreed that the Landlord shall ensure that the Property is made available for letting in a safe condition and in compliance with the above regulations.

**16.3** Where the Landlord has duties in regard to the prevention of legionella and the inspection of domestic-type water systems, it is agreed that the Landlord shall be responsible for the maintenance of the water system and any associated safety checks under these duties. The Landlord confirms that they are aware of these duties and that the Agent has provided sufficient information to assist with compliance. The Agent shall arrange for the relevant risk assessments to be carried out should the Landlord not supply their own report and a fee will become payable (As per scale of fees)

**16.4** Under the Energy Efficiency (Private Rented Property) Regulations 2015, all residential rented properties (unless exempt) require an Energy Performance Certificate with a minimum rating of E, which must be conducted by a qualified DEA. This must be available prior to the marketing of the property and a copy supplied to the tenants either prior to the tenancy starting or upon request of the tenant. The certificate is valid for 10 years.

**16.5** The Landlord must ensure that a Gas Safety Certificate, where required, is provided to the Tenant prior to their occupation of the property. Where the Landlord does not have a valid Gas Safety Certificate for the property and upon request, the Agent will arrange this and the Landlord will reimburse the Agent for the full cost of arranging the gas safety check.

**16.6** As from 1<sup>st</sup> October 2015, a relevant landlord must ensure that;

**A.** during any period beginning on OR after 1<sup>st</sup> October 2015 when the premises are occupied under the tenancy –

- i. a smoke alarm is equipped on each storey of the premises on which there is a room used wholly or partly as living accommodation;
- ii. a carbon monoxide alarm is equipped in any room of the premises which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance; and

**B.** checks are made by or on behalf of the landlord to ensure that each prescribed alarm is in property working order on the day the tenancy begins if it is a new tenancy.

**16.7** The landlord must further ensure that the property is professionally cleaned prior to the commencement of any tenancy and will provide receipts to the agents for this. The agent can provide written quotations where necessary.

## **17. INSTRUCTIONS:**

It is agreed that any instructions to the Agent from the Landlord regarding termination, proceedings, major repairs, payment, or other significant details regarding the letting be confirmed to the Agent in writing.

## **18. FEES AND VALUE ADDED TAX:**

All fees stated are inclusive of VAT and will be deducted from the Landlord's account as they fall due. Management fees are based on a percentage of the actual rental amount. For example, a property rented at £1,000pcm at a commission rate of 10% will incur a monthly management fee of £120.00 including VAT.

## **19. INSURANCE:**

The Landlord shall be responsible for the Property being adequately insured and that the insurance policy covers the situation where the Property is let.

## **20. HOUSING BENEFIT:**

The Landlord undertakes to reimburse the Agent for any claims arising from overpayment which may be made by the local authority in respect of housing benefit, or other benefit scheme, paid to or on behalf of the Tenant(s) as rent. This undertaking shall remain in force during the currency of the tenancy and up six years thereafter, whether or not the Agent continues to be engaged to let or manage the Property under this Agreement.

## **21. RIGHT TO RENT CHECKS:**

The Agent will carry out any checks required under the Immigration Act 2014, as required by law, on all proposed Tenants and any permitted occupiers at the start of or prior to the commencement of the Tenancy and any follow up checks where the Tenant has a limited right to rent. The Agent's responsibilities for such checks will only extend for the duration of this Agreement. A fee will be charged for this service.

## **22. COMPLAINTS:**

Where the Landlord is unsatisfied with any service provided by the Agent the Landlord should contact the Agent in the first instance to try to resolve matters. The Agent has an in-house complaints policy which must be followed. The complaint will be acknowledged within three working days of receipt, a full investigation will be undertaken with a written outcome submitted within 15 working days. The Agent is a member of The Property Ombudsman and where the Landlord is unsatisfied with the way the complaint has been handled the Landlord may refer the matter to the scheme for a further decision. The TPO can be contacted via their website [www.tpos.co.uk](http://www.tpos.co.uk), Tel: 01722 335458 Address: Milford House 43-55 Milford Street Salisbury SP1 2BP

## **23. KEEPING RECORDS AND DATA PROTECTION:**

The Agent undertakes to comply with data protection regulations and not to divulge any personal details of the Landlord or Tenant to any other third party or organisation without prior approval unless this is necessary to comply with a statutory obligation. The Agent will make every effort to keep such information safe and secure and will keep copies of agreements and other documents in relation to the tenancy for the period of the tenancy and for a reasonable period from the date of expiry of the tenancy. The Agent will keep copies of all financial information for seven years.

The Landlord undertakes to comply with data protection regulations and not to divulge any personal details of the Tenant to any other third party or organisation without prior approval unless this is necessary to comply with a statutory obligation.

Where the Landlord processes and stores any personal details of the Tenant, the Landlord is required to provide the Tenant with a privacy notice of how their data will be processed or used by the Landlord. The Landlord is also required to ensure that any data held is adequate, relevant and not excessive for the purposes for which it is processed and is accurate and kept up to date. Data should not be kept for longer than necessary and should be deleted or shredded appropriately when no longer required. When the agent is instructed on a let only basis and the landlord is managing the property, contact details will be provided to both Tenant and Landlord to facilitate the management of the property.

#### 24. ABOUT THIS AGREEMENT:

No amendments or variation to this Agency Agreement will have any contractual effect unless agreed by the parties in writing. This Agreement shall be governed by and construed in accordance with the laws of England and Wales, and each of the parties submits to the exclusive jurisdiction of the courts in England and Wales.

This Agency Agreement constitutes the entire written agreement between the parties and supersedes any previous agreement, discussion, correspondence or understanding between the parties but this will not affect any obligations in any such prior agreement which are expressed to continue after termination. In the event that any part of this Agreement is held to be void or unenforceable it will be severed from the Agreement and the remainder of the Agreement will continue in force to the fullest extent possible. The terms and conditions of this Agreement may be varied by the Agent, but only with two months' prior written notice.

### Notice of the Right to Cancel

The right to cancel only applies if the Landlord enters into an agreement with the Agent where the Landlord is a consumer (being an individual acting wholly or mainly outside of their own trade or business) and this Agency Agreement is signed:

- at a place which is not the Agent's office;
- at the Agent's offices but following a meeting between the parties away from the Agent's offices; or
- without meeting face to face at all.

#### Information for Landlords:

You have the right to cancel this contract within 14 days without giving any reason. The cancellation period will expire after 14 days after the day on which this contract was entered into.

To exercise the right to cancel, you must inform the Agent at *[Insert address, tel, fax and email]* of your decision to cancel this contract by a clear statement (eg a letter sent by post, fax or email). You may use the model cancellation form below, 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

If you cancel this contract, the Agent will reimburse to you any payments received from you without undue delay, and not later than 14 days after the day on which the Agent was informed about your decision to cancel this contract. The Agent 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. However, if you requested that the Agent begins the performance of services during the cancellation period, you shall pay an amount which is in proportion to what has been performed until you have communicated to the Agent your cancellation of this contract, in comparison with the full coverage of the contract.

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Complete, detach and return this form **ONLY IF YOU WISH TO CANCEL THE CONTRACT**.

#### Cancellation Notice to be Included in Notice of the Right to Cancel

To: \_\_\_\_\_ *[Insert Agent's name, address, fax number and email address]*

I/We\* hereby give notice that I/we\* wish to cancel my/our\* contract .....

.....

Signed.....

Name and Address .....

.....Date.....



southernbrook

# SCALE OF FEES

FIND TENANT ONLY SERVICE	FEE	FEE INC VAT
ARRANGEMENT FEE For example monthly rent of £..... The fee would be £..... including VAT	80%+VAT	96%
INVENTORY & CHECKOUT	See separate scale of fees below	
REFERENCING & RIGHT TO RENT CHECKS	INCLUDED	INCLUDED
DEPOSIT REGISTRATION	INCLUDED	INCLUDED
LAND REGISTRY SEARCH	£25.00	£30.00
GAS SAFETY CERTIFICATE	£75.00	£90.00
GAS SAFETY & BOILER SERVICE	£90.00	£108.00
ENERGY PERFORMANCE CERTIFICATE	£110.00	£132.00
ELECTRICAL SAFETY CERTIFICATE(UP TO 4 BEDS)	£190.00	£228.00
ELECTRICAL SAFETY CERTIFICATE(5 BEDS +)	POA	POA
LEGIONELLA RISK ASSESSMENT	£110.00	£132.00
MINIMUM FEE (Withdrawal)	£500.00	£600.00
SOLE AGENCY BREACH	£250.00	£300.00

INVENTORY & CHECKOUT CHARGES	FEE	FEE INC VAT
UP TO 2 BEDROOMS UN-FURNISHED	£110.00	£132.00
CHECKOUT	£75.00	£90.00
3 BEDROOMS UN-FURNISHED	£125.00	£150.00
CHECKOUT	£90.00	£108.00
4 BEDROOMS UN-FURNISHED	£150.00	£180.00
CHECKOUT	£110.00	£132.00
5 BEDROOMS AND OVER	POA	

ADDITIONAL FEES – as required	FEE	FEE INC VAT
TENANCY FIXED TERM RENEWAL	£125.00	£150.00
ADDITIONAL CLAUSES TO AGREEMENT	£50.00	£60.00
ADDITIONAL RIGHT TO RENT CHECK	£50.00	£60.00
ARRANGEMENT OF MAINTENANCE WORKS	10% of contractor invoice	12%
PREPARE & SUBMIT DEPOSIT DISPUTE	£150.00	£180.00
PREPARE & SUBMIT SINGLE CLAIM DEPOSIT	£150.00	£180.00
PREPARE & SERVE SECTION 6 NOTICE	£50.00	£60.00
PREPARE & SERVE SECTION 8 NOTICE	£110.00	£132.00
PREPARE & SERVE SECTION 13 NOTICE	£50.00	£60.00
PREPARE & SERVE SECTION 21 NOTICE	£75.00	£90.00
PROPERTY INSPECTION	£45.00	£54.00
RENT & LEGAL COVER	POA	POA
KEY CUTTING	POA	POA
POST REDIRECTION	POA	POA



**Identification:** Mortgage statement / Deeds / Land Registry  
Passport / Driving Licence (copies only).