

# MANAGEMENT AGREEMENT

## KEY POINTS – PLEASE READ CAREFULLY

- ❖ A separate specialist department will manage the property centrally.
- ❖ All enquiries should be directed to the Management Department – **letting offices have no access to managed files.**
- ❖ During the course of this Agreement, **STAUTORY SAFETY INSPECTIONS AND / OR REMEDIAL WORKS WILL ONLY BE UNDERTAKEN BY LLOYDS RESIDENTIAL PROPERTY SERVICES APPOINTED CONTRACTORS.**
- ❖ Landlords must ensure sufficient funds are available to deal with unexpected and urgent repairs.
- ❖ **THIS DOCUMENT IS THE MANAGEMENT DEPARTMENT “BIBLE”.** Management staff will only act in accordance with the terms of this agreement. It is therefore vitally important that Landlords take the time to read and carefully complete the document. **Please ensure full banking details are provided.**
- ❖ In the case of any other reported repairs, **THIS AGREEMENT IS YOUR FORMAL CONSENT for Lloyds Residential Property Services to spend up to £150.00 on any individual repair at their absolute discretion. LANDLORDS WILL NOT BE CONTACTED TO OBTAIN FURTHER CONSENT.**
- ❖ **Landlords wishing their own preferred contractors to be contacted must complete the appropriate section in this document.** If this is not completed, Lloyds Residential Property Services will use their own.
- ❖ To avoid invalidation, **full details of any warranties or guarantees covering services and appliances, must be noted** in the appropriate section of this document and copy documents supplied.
- ❖ **THIS SERVICE MAY NOT BE SUITABLE FOR ALL LANDLORDS!** Those desiring complete control over repairs and expenditure are recommended to accept Lloyds Residential Property Services “Rent Processing” service, where the tenant will contact The Landlord directly with maintenance queries, but pay their rent to Lloyds Residential Property Services.

## **ENQUIRIES AND OPENING HOURS**

Telephone enquiries: Monday to Friday 10am to 12pm and 2pm to 4pm.

**The department is closed** Saturday, Sunday and most bank holidays. Messages may be left 24 hours a day.

**Tel:** 020 8505 5005

**Fax:** 020 8505 5350

**E-Mail:** [management@lloydsres.com](mailto:management@lloydsres.com)

## **STATUTORY OBLIGATIONS**

- ❖ The Landlord instructs Lloyds Residential Property Services Ltd (herein after referred to as "The Agent") to use their best endeavours to enforce The Landlords statutory obligations.
- ❖ **The Landlord irrevocably agrees that ONLY THE AGENT'S APPOINTED CONTRACTORS WILL CARRY OUT STATUTORY GAS AND ELECTRICAL SAFETY INSPECTIONS AND RESULTING REMEDIAL WORK (if required) and undertakes to provide The Agent with such funds as are necessary to enable the Agent to do so.**

Landlords face prosecution for failing to comply with statutory legislation within a required timeframe. Historically, delays have always been the result of a Landlord's own contractors failing to perform quickly enough hence the reason for The Agent insisting on the above. If instructed The Agent has no objection to using The Landlords own contractors for non-statutory matters.

## **PAYMENT OF RENT**

Other than in exceptional circumstances, rent received less agreed deductions, will be forwarded directly to The Landlord's bank by electronic funds transfer within two working days of The Agent receiving cleared funds.

The Landlord must supply The Agent with their correct banking details and allow time for their bank to clear The Agent's payment.

## **STATEMENTS**

Statements will be sent either by post or e-mail (unless no rent for that period has been received).

Photocopies / faxes (within the UK) of statements and other documentation requested will be charged at the rate of £1 per document (includes photocopying, administration costs and postage).

Annual statements requested in addition to monthly statements (provided as part of The Agent's Management Service) and from which the same information may be extracted will be charged separately at the rate of £25 plus VAT.

## **REPAIRS & MAINTENANCE**

- ❖ **Without contacting The Landlord**, The Agent may use their absolute discretion to instruct contractors to deal with any reported repair they deem necessary providing the estimated cost of an individual repair is unlikely to exceed £150. In the case of an emergency or where such repairs or remedial works are a statutory requirement, The Agent reserves the right to instruct contractors to enforce The Landlord's legal obligations.
- ❖ **No estimate for approval will be obtained** unless The Agent believes the likely cost of a repair will exceed £150.

- ❖ In the event of a tenant reporting a problem where it is only established after a contractor has visited, that the call was either unnecessary or the responsibility or fault of the tenant then it will be the tenant's responsibility to pay the contractors' call out / repair charges. The charge will initially be deducted from The Landlords account and then reimbursed when payment from the tenant is received. Should payment from the tenant subsequently not be forthcoming, it may be deducted from the tenant's deposit.

## **TAX**

### **Overseas Landlords**

Under the Finance Act 1995 Landlords must apply for an exemption certificate to be issued to The Agent to enable rent to be paid without deductions for tax. **Only The Landlord can make the application for an exemption certificate which, if granted will be issued directly to The Agent.** Application forms may be obtained from The Agent's Management Department. Until an exemption certificate is received The Agent is legally obliged to deduct tax at the basic rate against net rental income.

### **Quarterly Tax Returns**

Quarterly tax returns made on behalf of overseas landlords not accepted for self-certification under the Finance Act 1995 will be charged at the rate of £25 plus VAT per quarter.

## **INHERENT PROBLEMS**

The Landlord is responsible for all outstanding repairs, maintenance and any other matters originating prior to the signing of this Management Agreement.

## **APPOINTED REPRESENTATIVE**

The Landlord should ensure The Agent is furnished with details of an appointed representative who is authorised by The Landlord to make decisions on behalf of The Landlord and who can provide funds in the event The Landlord cannot be contacted.

## **OPERATING INSTRUCTIONS**

Operating instructions for all appliances must be left at the property in a prominent location (preferably displayed on a notice board) clearly explaining how each appliance operates. In the event of injury to a tenant as a result of misusing an appliance, a Court may uphold a claim against The Landlord in the event that no instructions were available to ensure safe operation of the appliance. It is the responsibility of The Landlord to ensure operating instructions are provided.

## **BURGLAR ALARMS**

The Landlord must ensure The Agent is supplied with full operating and emergency call out details.

## **WARRANTIES AND SERVICE AGREEMENTS**

Copies of all warranties / service agreements must be sent to The Agent's Management Department at 36b The Broadway, Woodford Green, Essex IG8 OHQ as well as copies left at the property. Where practical, copies of warranties / service agreements should be attached to the relevant appliance or displayed on a notice board at the premises. In the event of a tenant reporting a fault with an appliance, The Agent's Management Department will check all warranties / service agreements supplied.

Should no warranty / service agreements have been supplied, The Agent's Management Department will arrange for their own contractors to attend.

## **KEYS**

The Landlord is responsible for ensuring The Agent's Management Department is supplied with at least one full set of properly fitting keys at all times (including e.g. internal doors, window locks, back door, padlock key to shed, side entrance, interior and exterior meter boxes). All keys should be clearly marked and checked by The Landlord to ensure they fit properly.

Costs incurred, damage to property, or injury to any person as a result of keys not fitting or not being supplied to The Agent is the responsibility of The Landlord. Notification of receipt of keys will be sent if requested.

## **ROUTINE PROPERTY VISITS**

The Agent's clerks are not qualified surveyors and consequently comment will only be made with regard to general decorative order and the manner in which the property is being maintained. Should a more detailed report be required e.g. with regard to the condition of the roof, central heating etc, it will be necessary to instruct an expert who may charge a fee. The Agent will make up to three routine visits per annum and these are charged at the following prices: If your property has NOT had an inventory and check in report carried out at the commencement of your tenancy the standard charge is £40 plus vat per visit. If you property HAS had an inventory and check in report carried out at the commencement of your tenancy the check in report shall be cross referenced on the home visit and the following charges will apply: 1 Bedroom property £50, 2 Bedroom property £55, 3 Bedroom property £60, 4 Bedroom property £65 and 5 Bedroom property £70. You may opt out of this part of our service if you wish, please speak to the negotiator you are dealing with and let them know if you would still like home visits arranged but you would prefer to carry them out yourself or if you just don't want them arranged at all.

## **ADDITIONAL VISITS**

These are chargeable at the rate of £35 plus VAT each. Such visits include extra "routine" inspections as aforementioned; follow up visits to ensure tenants compliance in respect of a notice to carry out repairing obligations, (such charge being reclaimable from the tenant under the terms of the Tenancy Agreement) and any other visits not covered under "Routine Property Visits".

## **LATE RENT PAYMENT**

It is the contractual responsibility of the tenant to pay the rent.

The Agent cannot force a tenant to pay rent or personally evict them. This can only happen through due process of law.

The Agent will endeavour to contact the tenant by telephone and send written rent reminders, as it deems appropriate in an effort to obtain the rent until the tenant is one calendar month in arrears.

In the event of rent being more than one month in arrears and in the absence of any insurance policies in this respect being in force, The Landlord should refer the matter to a solicitor.

## **THE PROTECTION FROM EVICTION ACT 1977**

Only a Court of Law can evict a tenant. Neither The Landlord nor his / her Agent can regain possession of a property from an unwilling tenant without a court order. To do so is a criminal offence punishable by a fine or imprisonment. Harassment e.g. cutting off services, changing locks etc is also a criminal offence.

## **OBTAINING POSSESSION**

Landlords must give at least two months notice under the Housing Act if possession is required at the end of, or after the expiry of a fixed term tenancy agreement. This procedure involves serving a Notice Requiring Possession under Section 21 of the Housing Act.

The Agent will not serve this notice unless instructed by The Landlord in writing to that effect.

Should The Agent be required to act as a witness in court, this is not part of The Agent's Management Service and as such will be charged separately at an hourly rate, depending on the seniority of the person dealing with the matter. Such fees are payable irrespective of the outcome of any legal proceedings.

## **POSTAGE**

Postal charges exceeding that of a first class stamp in the UK will be passed on to The Landlord.

Landlords should contact the post office to arrange their post to be redirected as forwarding of post is not part of The Agent's Management Service and will be charged at the rate of 50p per letter forwarded plus postage.

## **THE DEPOSIT**

This is held as security against damages, rent arrears and any other breaches of the tenancy agreement. **IMPORTANT:** This money belongs to the tenant and must be held in a separate client account for the duration of the tenancy. When instructed by the Landlord Lloyds Residential Property Services will lodge the deposit with [www.mydeposits.co.uk](http://www.mydeposits.co.uk) and place it into our own client account in accordance with the terms and conditions of [www.mydeposits.co.uk](http://www.mydeposits.co.uk). The terms and conditions and ADR rules governing the protection of the deposit including the repayment process can be found at [www.mydeposits.co.uk](http://www.mydeposits.co.uk). In all other cases The Landlord will hold the deposit and must ensure that it is held within a Deposit Protection Scheme and must inform the tenant in writing within fourteen days of the commencement of the tenancy as to which scheme the deposit is held and provide to the tenant the terms and conditions of the scheme including the repayment process. Details of various schemes can be found at [www.depositprotection.com](http://www.depositprotection.com) for custodial schemes or [www.mydeposits.co.uk](http://www.mydeposits.co.uk) for insurance based schemes.

Should Lloyds Residential Property Services' introductory fees exceed the first month's rent paid by the tenant, then subject to Lloyds Residential Property Services obtaining the tenants written permission, the excess will be deducted from the tenants deposit. This practice is carried out purely as an accounting procedure to avoid The Landlord sending additional funds to settle Lloyds Residential Property Services account. In such cases The Landlord hereby undertakes to immediately replenish the tenants deposit to its full value.

## **RETURN OF DEPOSIT**

Where The Landlord holds the deposit The Agent may use their absolute discretion in retaining the final months rent as the tenant's deposit in a client account to be returned to the tenant subject to the terms and conditions of the tenancy agreement. Such monies to be held as Agents for The Landlord. As The Agent cannot deduct commission from monies held as deposit, commission for two months rent will be due and payable from the first month's rent.

Should the tenant vacate in breach of the tenancy agreement, appropriate deductions will be made in line with the terms of the Tenancy Agreement.

The Landlord ratifies all decisions and actions taken by The Agent.

## **INVENTORY**

### **IMPORTANT NOTICE**

**Lloyds residential property services do not carry out or include an inventory, check in or check out as part of our managed service and so recommend that all landlords make suitable provisions.**

**This is an important legal document forming part of the tenancy agreement.** In the case of a dispute, the inventory will be used as evidence in a Court of Law. If inaccurate or lacking insufficient detail, it may not be possible to make deductions in the event of damage or loss.

Under the Housing Act 2004 the Tenancy Deposit Protection Scheme will become Law from the 6<sup>th</sup> April 2007 ensuring all Tenant deposits are protected under one of the governments approved schemes. In the event of a dispute over the deposit between the Landlord and the Tenant the Alternative Dispute Resolution (ADR) will base its decision on evidence produced by the Landlord or Tenant namely in the form of an inventory. The inventory must be factual, accurate and unbiased in its structure and content and therefore Lloyds Residential Property Services recommend an independent inventory company be used to safeguard the interests of the Landlord and Tenant. Details and costs of Lloyds Residential Property Services approved independent inventory company are available upon request.

## **INSURANCE**

The Landlord should insure the property and their own contents (to include public liability) for the full period of the tenancy and ensure policies are renewed on the appropriate dates. Landlords must check the terms of their insurance policies carefully to ensure they comply at all times. Failure to do so may invalidate the policy.

## **VACANT PROPERTIES**

Landlords must advise their insurers whenever the property is vacant and adhere to all the conditions contained therein. It is usually a requirement to ensure all water tanks are drained down to reduce the risk of leaks and burst pipes although Landlords are advised to check their particular policy in this respect.

The Agent does not manage vacant properties but will arrange for tanks to be drained down if requested in writing at the time. This does not form part of this Management Agreement and a separate charge will be made.

## **GARDENING**

Quotes for gardening services will be obtained upon request.

## **TERMINATION OF AGREEMENT**

The Landlord may terminate this agreement by giving one-month notice in writing to The Agent. Should this be prior to the expiry of an existing tenancy, a fee equal to one month's rent plus VAT will be payable to The Agent.

The Agent may terminate this agreement with immediate effect in the event of a Landlord refusing to meet any statutory obligations. This will be confirmed in writing and be deemed to have taken place as of the date of said written confirmation. A fee equal to one month's rent plus VAT will be payable to The Agent.

In all other cases The Agent will give The Landlord one months notice in writing of The Agent's intention to cease to act as Managing Agent.

The Agent is obliged to advise the tenant (where The Agent believes the tenant's safety may be compromised) of the reason for terminating the Management Agreement and to furnish the tenant with the address and contact

number (s) of The Landlord. Any other fee agreements in existence between The Landlord and The Agent will remain unaffected by the termination of this Management Agreement.

**CHANGES / ADDITIONS TO THIS AGREEMENT**

Lloyds Residential Property Services will accept no claim regarding changes of, or additions to, any part of this document, whether promised or implied, by any of their representatives, either before or after the signing of this agreement, unless written confirmation to such effect from Lloyds Residential Property Services can be produced. Services not mentioned in this agreement are not part of The Agent's Management Service and must be agreed separately.

This Management Agreement shall exist in conjunction with The Agent's "Landlord's Guide to Letting" and "Terms Of Business" and no clause or clauses contained herein shall supercede or make void any clause or clauses contained therein.

**MANAGEMENT AND ACCOUNT INFORMATION**

Property address: \_\_\_\_\_

Property Telephone number: \_\_\_\_\_

Landlord(s) full name(s) \_\_\_\_\_

Home Address  
(if overseas, we must have overseas address) \_\_\_\_\_

E-mail address: \_\_\_\_\_

Landlord' Telephone Numbers: \_\_\_\_\_

Address in UK where notices may be served:  
(only applies in Landlord is overseas)  
\_\_\_\_\_  
\_\_\_\_\_

**APPOINTED REPRESENTATIVE** (name and address – authorised to make decisions and provide funds if The Landlord cannot be contacted.)

\_\_\_\_\_  
\_\_\_\_\_

Representative's Telephone Number  
\_\_\_\_\_

**IMPORTANT BANKING DETAILS**

**Payments from us are made by electronic funds transfer directly into your account. Please complete the following carefully. Without these details funds cannot be transferred.**

Name of Bank / Building Society									
Name in which account held:									
Account Number	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 12.5%; height: 25px;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td></tr></table>								
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Landlord resident overseas: YES / NO

**WARRANTIES / SERVICE AGREEMENTS** – please supply copies of all and list below:


**PREFERRED CONTRACTORS**


**CONFIRMATION OF INSTRUCTIONS**

I/We confirm my/our agreement to the above terms and conditions and instruct Lloyds Residential Property Services to act as my/our Managing Agents.

I/We confirm that to the best of my/our knowledge the above information supplied is true and accurate.

\_\_\_\_\_  
For Landlord:

\_\_\_\_\_  
For Lloyds Residential Property Services

\_\_\_\_\_  
Date