



LLOYDS
RESIDENTIAL

TERMS OF BUSINESS

STATUTORY OBLIGATIONS – FAILURE TO COMPLY IS A CRIMINAL OFFENCE!

Before allowing occupation to a tenant, proof of compliance with The Landlord's Statutory Obligations and Duty of Care in respect of Gas, Electric and Furniture Safety will be required. The gas and electric supply must be connected and where applicable, gas meter cards and electricity meter keys must be made available for these checks to be carried out.

A Gas Safe Register installer must check all gas appliances annually and electrical appliances must also be tested. A portable electrical appliance test and cursory visual installation check will be carried out before the commencement of every tenancy. The cost of all checks and remedial work to be borne by The Landlord. All soft furnishings supplied must meet strict safety controls.

To avoid delays and loss of rental income Lloyds Residential Property Services require all safety checks to be arranged before a tenant is found. Where Lloyds Residential Property Services contractors are used, costs include administration fees. All documentation relating to safety inspections remains the property of The Landlord.

PLEASE NOTE: The purpose of these checks is to ensure an appliance or installation is safe, not that it is operational.

SMOKE ALARM REGULATIONS

The Smoke Alarm and Carbon Monoxide Alarm (England) Regulations 2015, became effective from 1st October 2015. This will require Landlords to ensure the fire safety of their tenants as well as offer protection against carbon monoxide poisoning.

LANDLORD'S RESPONSIBILITIES

Landlords will be required to install a smoke alarm on every floor of their property and a carbon monoxide alarm in rooms containing a solid fuels appliance, such as log burners or open fires.

Landlords must check that the alarms are working at the start of every new tenancy, with Landlords potentially facing penalties of up to £5,000, if they do not comply.

We have obtained prices for fitting these alarms from our contractor.

To supply and fit, the prices are :

Battery operated carbon monoxide alarm	£48.00 including VAT
Battery operated smoke alarm	£30.00 including VAT
Price per mains smoke alarm	£120.00 including VAT
Price per mains smoke alarm if interlinked with another alarm	£156.00 including VAT

ENERGY PERFORMANCE CERTIFICATES (EPC)

It has been a legal requirement, since 1 October 2008, for all landlords to have a valid EPC for their property before it can be let. An EPC assesses the energy performance of a property, from "A" representing the most energy efficient property to "G" representing the least energy efficient property. It must be carried out by a qualified Domestic Energy Assessor and will also show a building's environmental impact by indicating its carbon dioxide emissions.

A valid EPC will last for 10 years and can be used for multiple tenancies within that period.

Lloyds Residential Property Services Limited are able to arrange for an EPC to be carried out on your behalf in order to avoid any delays letting your property.

GUIDANCE ON LEGIONNAIRES' DISEASE FOR LANDLORDS

Landlords of residential accommodation have responsibilities for combating Legionnaires 'disease. Health and safety legislation requires that landlords carry out risk assessments for the Legionella bacteria which cause Legionnaires ' disease and thereafter maintain control measures to minimize the risk. Most rented premises will be low risk but it is important that risk assessments are carried out and control measures introduced.

For further information you can visit www.hse.gov.uk/legionnaires

Lloyds Residential Property Services can offer contractor services to carry out a risk assessment on behalf of the Landlord. Please see your local office for further information and prices.

PROPERTY LICENSING

All Landlords are advised to check with their local authority to see if your property will require a property license.

Lloyds Residential Property Services Limited WILL NOT apply for a property license on behalf of any Landlord.

Landlords can find help concerning property licensing at www.londonpropertylicencing.co.uk or visit your local authority website for further information and guidance.

CLEARED FUNDS

Lloyds Residential Property Services reserve the right not to instruct a contractor until in receipt of cleared funds and to clear personal cheques through the banking system before any contractor is instructed.

REFERENCES

Will be made available for inspection by The Landlord prior to the signing of the Tenancy Agreement (if requested). Ultimately The Landlord must satisfy him/her self as to the suitability of any tenant introduced.

SELLING THE PROPERTY

Lloyds Residential Property Services also sell property. Should The Landlord wish to sell the property Lloyds Residential Property Services offer existing Landlords a preferential rate of commission for sole agency instructions.

Should a tenant introduced by Lloyds Residential Property Services Ltd purchase the property a fee of 1.5% plus VAT will be payable. Such fees due from exchange of contracts but may be paid by The Landlord's solicitor out of the completion monies.

VACANT PROPERTIES

Lloyds Residential Property Services do not manage vacant properties. The Landlord must advise their insurers as soon as the property becomes vacant and adhere to any stipulations contained in their policy in respect of it becoming vacant.

KEYS

Lloyds Residential Property Services must hold keys and be able to show a prospective tenant the property immediately. Where this is not possible tenants will usually be suited elsewhere. No Landlord or tenant is always available to allow access.

Furthermore prospective tenants are frequently late or simply fail to keep appointments. This always causes inconvenience and annoyance to Landlords or existing tenants who make special arrangements to be present.

A company representative will accompany all viewings.

In the event the property is currently tenanted most well drafted tenancy agreements allow unlimited access during the final months of the tenancy.

REMEMBER: Whilst your present tenant may be unconcerned if the property is vacant for a period after the expiry of their tenancy you will lose rental income and empty properties are a security risk.

The property will be left as secure as the keys supplied allow.

TO LET / LET BY SIGN

Erected free of charge.

PRELIMINARY DEPOSITS

A preliminary deposit (not to be confused with "The Deposit" referred to below) is requested from all tenants prior to processing their application/applying for references etc. In the unlikely event of an abortive transaction these monies are used to offset Lloyds Residential Property Services' administration expenses.

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 and place it into our own client account in accordance with the terms and conditions of 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. 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 for custodial schemes or 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.

OVERSEAS LANDLORDS

Under the Finance Act 1995 Landlords must apply for an exemption certificate to be issued to The Agent permitting rent to be paid to The Landlord without deduction for tax. Only The Landlord can make the application, which, if granted, will be issued directly to Lloyds Residential Property Services. Application forms may be obtained from Lloyds Residential Property Services upon request.

Until an exemption certificate is received Lloyds Residential Property Services are legally obliged to withhold tax at the basic rate from the net rental income.

Where Lloyds Residential Property Services are not instructed to process rent payments, Landlords have duty of care to advise their tenants to make this deduction. For further information telephone the Inland Revenue, Financial Intermediaries and Claims Office on 0151 472 6208/9.

INCLUDED IN THE TENANCY

Written confirmation of the items of furniture, appliances, cutlery, crockery and cooking utensils etc. to be included in the tenancy is requested with all subsequent changes to be confirmed in writing. Until received Lloyds Residential Property Services will advise prospective tenants in accordance with their understanding of The Landlords verbal confirmation of items to be included in the Tenancy. Lloyds Residential Property Services accept no responsibility for any error in this respect prior to receipt of the aforementioned confirmation.

PERMISSION TO LET

Landlords should obtain written permission to let the property from their Mortgagee, Freeholder and Insurers before the property is let.

AUTHORITY (Delete if not required)

The Landlord hereby authorises Lloyds Residential Property Services to sign and execute the tenancy agreement on their behalf and to grant occupation to a tenant (s) on or after the date confirmed in this agreement by The Landlord as the date on which the property will be available for occupation without further referral to The Landlord providing Lloyds Residential Property Services are in receipt of:-

- ❖ References from the tenant, which Lloyds Residential Property Services, believe to be satisfactory.
- ❖ A deposit from the tenant equal to not less than one month's rent and a further month's rent paid in advance.

The Landlord hereby authorises Lloyds Residential Property Services to use their best endeavours to ensure compliance with all statutory safety legislation, the cost of such inspections, remedial work, removal /replacement of furniture / appliances to be borne by The Landlord.

SIGNING OF THE TENANCY AGREEMENT

The Landlord agrees to sign the tenancy agreement if so requested by Lloyds Residential Property Services.

CHANGES TO TERMS

Lloyds Residential Property Services will accept no liability for claims regarding changes of, or additions to these Terms Of Business, allegedly promised or implied, by any of their representatives, either before or after this document is signed, unless written confirmation to such effect from Lloyds Residential Property Services can be produced.

INVENTORY

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 6th 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. Any subsequent requests for further evidence by the (ADR) shall be deemed the responsibility of the landlord.

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.

BEFORE ALLOWING ACCESS TO A TENANT

Lloyds Residential Property Services must be in receipt of ALL of the following:

- ❖ A full set of keys (two sets if the property is to be managed)
- ❖ Where Lloyds Residential Property Services are required to have extra keys cut a charge of £5 plus VAT in addition to the cost of the keys will be made.

DOCUMENTARY PROOF of compliance with: -

- ❖ The Furniture and Furnishings (Fire) (Safety) Regulations 1988 (as amended in 1989 & 1993) covering soft furnishings.
- ❖ The Gas Safety (Installation and Use) Regulations 1994 covering ALL gas appliances.
- ❖ The Electrical Equipment (Safety) Regulations 1994 covering portable electrical appliances.

FEES AND SERVICES

TENANT INTRODUCTION

Accompanying of tenants on viewing appointments (unless by special arrangement).

Supervising signing of tenancy Agreement.

Ensuring compliance with current Gas, Electrical and Furniture Safety regulations prior to tenant taking occupation.

Obtaining references.

Obtaining deposit from tenant

Serving Section 21 Notice Requiring Possession.

FEES: 12% including VAT of the gross rental due for the entire agreed term reserved under the terms of the tenancy agreement ignoring any options to terminate by either party. Eg if the asking rent was £1000.00 per calendar month on a 12 month tenancy the fee would be £1440.00 (£1200.00 + VAT). Should the agreed rental price be higher or lower than the asking rent, our commission will be correspondingly higher or lower.

PAYABLE: Wholly in advance on the commencement of the Tenancy (subject to minimum fee of £800 plus VAT for each year of part of year) upon Lloyds Residential Property Services finding a tenant, directly or indirectly, who is acceptable to, or whom The Landlord has given Lloyds Residential Property Services authority to accept and who completes a Tenancy Agreement.

Any subsequent extension, renewal or continuation of the Tenancy thereof, will also be charged at the same rate and in the same manner i.e. subject to a minimum fee of £800 plus VAT for each year of part of year of the extended, renewed or continued period of the tenancy.

Where the tenant is more than one person, then providing at least one of the persons who signed the original Tenancy Agreement extends, renews or continues the Tenancy then the same fee shall remain payable. In the event of a third party (being a person or body corporate) associated with the tenant or occupant entering into a subsequent agreement the same fee shall also be payable.

Furthermore should at least one of the persons who signed the original tenancy agreement vacate and then enter into a new tenancy on this property within twelve months of vacating, then the tenant shall be deemed to have been introduced by Lloyds Residential Property Services and the aforementioned "Tenant Introduction" fee shall be payable. The aforementioned fees are not refundable and are payable regardless of whether or not a new tenancy agreement is signed, and irrespective of whether the extension, renewal, continuation was negotiated or arranged by Lloyds Residential Property Services.

RENT PROCESSING

As Tenant Introduction plus: -

Forwarding of rents received, less agreed deductions – paid directly into a designated account via our bank.

Arranging for tenant to sign standing order mandate.

Rent statements.

Sending of arrears letters.

FEES: 15% including VAT of the gross rental due for the entire agreed term reserved under the terms of the tenancy agreement ignoring any options to terminate by either party. Eg if the asking rent was £1000.00 per calendar month on a 12 month tenancy the fee would be £1800.00 (£1500.00 + VAT). Should the agreed rental price be higher or lower than the asking rent, our commission will be correspondingly higher or lower.

PAYABLE: As tenant introduction plus 3% including VAT of the gross rental due for the entire agreed term reserved under the terms of the tenancy agreement (subject to a minimum monthly fee of £35.00 including VAT) to include any renewal or extension thereof. Such fees to be paid monthly and may be deducted from rental monies received.

MANAGEMENT

As Rent Processing service, plus:

Instructing of inventory clerk (if requested).

Lodging of deposit with www.mydeposits.co.uk and placing into our own client account in accordance with the terms and conditions of www.mydeposits.co.uk.

Notifying the Tenant within 14 days of receipt of the deposit as to which scheme is being used and how it works.

Arranging running repairs up to £150.00 as made aware providing sufficient funds are held.

Property visits.

Advising Landlord of any breaches of the Tenancy Agreement, as we are made aware.

Supervising return of deposit

End of tenancy rental assessment.

Ensuring compliance with all Landlords statutory obligations providing sufficient funds are held in individual client's account.

FEES: 18% including VAT of the gross rental due for the entire agreed term reserved under the terms of the tenancy agreement ignoring any options to terminate by either party. Eg if the asking rent was £1000.00 per calendar month on a 12 month tenancy the fee would be £2160.00 (£1800.00 + VAT). Should the agreed rental price be higher or lower than the asking rent, our commission will be correspondingly higher or lower.

PAYABLE: As Tenant Introduction plus 6% including VAT of the gross rental due for the entire agreed term reserved under the terms of the tenancy agreement (subject to a minimum monthly fee of £60.00 including VAT) to include any renewal or extension thereof. Such fees to be paid monthly and may be deducted from rental monies received.

RENEWED TENANCY AGREEMENTS

An administration charge of £120.00 including VAT is payable to cover the cost of preparing new documentation, arranging and supervising the signing and execution of the new agreement.

CONFIRMATION OF INSTRUCTIONS

Property address: _____

Post Code

Landlord(s) full name(s) _____

Correspondence address _____

Post Code

Lloyds Residential Property Services are instructed as sole letting agents for a period of (.....) weeks from the date of this agreement.

Service required: Tenant Introduction / Rent Processing / Management

Rent to be quoted: £ per

Lowest rent acceptable without referral to Landlord is: £ per

Date property available: _____

Maximum term of initial tenancy agreement: 6 months / 1 year / 2 years / 3 years

DECLARATION

I / we confirm:

I am / we are the owner(s) of the above-mentioned property.

My / Our mortgage lenders, freeholder and insurers have given their written approval to let this property and my / our mortgage in this property is not in arrears.

I / We undertake to hold the tenants deposit for the duration of the tenancy and to keep their monies in a tenancy deposit scheme. The detail of which will be forwarded to the tenants within 14 days of receiving such deposit monies.

I / We hereby authorize Lloyds Residential Property Services to deduct their introductory fees from the monies received from the tenant and if necessary from the tenant's deposit (provided the tenant has given their written permission to do so). In such circumstances I / we undertake to immediately replenish said deposit to its full value.

I/We understand that no documentation or monies shall be due to me/us until Lloyds Residential Property Services are in receipt of all necessary safety legislation documentation and I/We have signed Lloyds Residential Property Services' Fee Agreement, Terms Of Business and where necessary 'Rent Processing' or 'Management Agreement'.

I am / We are (resident in the UK) (resident overseas) and will advise you in writing immediately this position changes.

I / We authorise Lloyds Residential Property Services to arrange for details of products or services that they believe may be of interest to me / us, to be sent to me / us, or for my / our details to be passed to other companies for the same purpose. (Delete if not acceptable).

Receipt of Lloyds Residential Property Services "Landlord's Guide to Letting" and a copy of these "Terms of Business".

I / We have been advised by Lloyds Residential Property Services that the following items of furniture do not comply with current legislation and cannot be included in the tenancy. I / We undertake to remove these items from the property prior to a tenant taking occupation and undertake not to put any other items of soft furnishing in the property without first obtaining written confirmation from Lloyds Residential Property Services that the item or items are fully compliant.

I / We confirm my / our full understanding and agreement to these Terms of Business and instruct Lloyds Residential Property Services to endeavour to find a tenant.

Landlord(s)

Lloyds Residential Property Services

Date

INSTRUCTIONS TO ARRANGE SAFETY INSPECTIONS / REMEDIAL WORKS (IF REQUIRED)

Please arrange:

- | | | |
|---|-----------------|-----------------|
| ❖ A Gas Safety Inspection | £ <u>79.20</u> | (including VAT) |
| ❖ Smoke Alarm Installation | £ _____ | |
| ❖ A Visual Electrical Inspection & portable Appliance Test
OR | £ <u>132.00</u> | (including VAT) |
| ❖ A Portable Appliance Test only | £ <u>92.40</u> | (including VAT) |
| ❖ Gas and or Electrical remedial works (if Required) without referral to me / us to a Maximum cost of: | £ _____ | |
| ❖ An Inventory and Check In report. | £ _____ | |
| ❖ EPC | £ <u>100.00</u> | (including VAT) |
| ❖ Insurance premium for lodging deposit with www.mydeposits.co.uk | £ <u>48.00</u> | (including VAT) |

TOTAL

£
=====

Landlord(s)

Date

RENT COLLECTION AND MANAGED PROPERTIES

The HomeLet Rent Recovery Plus Product will expire 12 months into the tenancy, at which point we require your express permission to take out a further Rent Recovery Plus Product. We will contact you by email/letter/phone no earlier than 28 days before the product expires to confirm your express permission to obtain a further product which you will have an "interest in".

Should the cost exceed £150.00 (including all relevant fees and taxes) we will inform you otherwise following your express permission we will take out a new Rent Recovery Plus for a further period of 12 months (subject to terms and conditions)

Lloyds Residential Property Services Ltd are proud members of The Property Ombudsman (TPO) and are compliant with their codes of practice. (www.tpos.co.uk)

We also have professional indemnity insurance in accordance with the TPOs' membership requirements. Lloyds Residential Property Services Ltd is NOT a member of a client money protection scheme.

Disclaimer:

- I understand that I am not purchasing an insurance policy, I have an interest in Lloyds Residential's policy, meaning I have no rights under the policy – but if my tenant does fall into rent arrears and Lloyds Residential makes a successful claim under the policy, any sums recovered that are due will be passed onto me
- I understand that I will receive an Acknowledgement of Interest document confirming my "Interest in" Lloyds Residential's policy, but will not receive policy wordings
- I understand my tenant/s must be referenced for the full amount of rent and have an acceptable reference for my property to be eligible for the Rent Recovery Plus product

Signed by landlord

Signature:

Print name:

Date: