

Charles Kimbell International



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SPECIALIST RESIDENTIAL PROPERTY MANAGEMENT AND LETTING SERVICES

TERMS OF BUSINESS as applicable to any tenancy commencing from 1/1/2020

We offer two levels of service:

1. LETTING/INTRODUCTION ONLY – FOR SELF MANAGING LANDLORDS

SEE FEE PAGE (3) FOR COST DETAILS

These services are FREE for Landlords who want our Full Management Service.

No valuation or advertising fees are charged. We have a no 'let' no 'fee' policy.

WE CAN VISIT TO GIVE A RENTAL VALUATION AND DISCUSS SAFETY COMPLIANCE ISSUES

We will carry out a free legionella risk assessment. *## see last page*

Ensure smoke alarms and co detectors are in place and check the gas /electric requirements are compliant.

There is no obligation or cost for this visit

WHEN FORMALLY INSTRUCTED IN WRITING WE WILL:

ADVERTISE YOUR PROPERTY TO PROSPECTIVE TENANTS - We advertise locally and on own website and use property portals, currently On The Market and Rightmove.

ORGANISE VIEWINGS - We arrange viewings for prospective tenants, accompanied whenever possible. (Please note we do not under any circumstances release keys to prospective tenants)

REFERENCE AN APPLICANT

Referencing is done by a separate third party Company - and includes: a credit check, employment status and previous landlord if applicable. A tenancy will not be granted until we and the Landlord are satisfied as to the applicants' credentials and the necessary checks have been done and the applicant approved by the Company.

****Through our reference service we offer a 12 month rent insurance *- which covers default and any rent related court action. This can be renewed by agreement annually for £108.00 inclusive of vat (payable monthly at £9,00 inc vat**

(*subject to terms and conditions – this insurance may be free for some Landlords) Changes due to the Tenant Fee Ban 2019 *## see last page*

“Right to Rent” residency checks will be done as legally required since 1/2/16 on behalf of our Landlords.
see last page

SUPPLY A TENANCY AGREEMENT AND DEPOSIT PAPERWORK and SIGNING THEREOF

We draw up the Tenancy Agreement at no cost to the Landlord. The standard tenancy agreement now in use is the Assured Shorthold, which has to be for a MINIMUM of six months for a Landlord but can be shorter for a tenant.

We recommend the use of a contractual periodic tenancy, hence do not issue a renewal. *## see last page*

This will be sent to you for signing and approval from any Legal Advisor or Building Society, if applicable.

We ensure the signing of the Agreement by the tenant. Our tenancy agreement is approved for “plain” English, as per legal requirements. A tenancy is only valid and binding from commencement date, not the date when signed.

DEPOSIT/1ST RENTAL PAYMENT - FEE DEDUCTION FOR INTRODUCTION ONLY

A suitable applicant will pay either a month or five weeks rent as a deposit, which since 6/4/12 **must** be protected and held in a Government approved scheme. We opt for the Government custodial scheme with The DPS which is FREE to both Landlords and Tenants. This scheme also protects the landlord from Agent insolvency, they hold the money. Please contact us to discuss the Deposit Scheme for further information, and how to ensure you comply and avoid non compliance, which can be a serious issue. *## see last page*

The First month rent is paid in advance, and in the case of Introduction/Letting only, we deduct all our fees. The balance of monies is then paid directly to the Landlord.

2. FULL PROPERTY MANAGEMENT SERVICE FOR LANDLORDS

FULL MANAGEMENT SERVICE - SEE FEE PAGE (3) FOR COST DETAILS

- the rate will be confirmed and agreed at the time of a rental valuation

Includes all

1. Introduction/Letting Services plus:-

WE WILL:

- PREPARE THE INVENTORY AND MEET THE TENANT TO DO THE CHECK IN - Essential in light of the Tenancy Deposit Scheme *## see last page*

We prepare a written Inventory (and take a multiple quantity of photos), meet to do a Check-in, and at vacation do a check out. Items are listed and checked for condition, including walls, curtains and carpets and furniture (soft furnishings must be fire resistant labelled or pre 1950). Appliances must have manuals and be in safe condition. We also need to be able to designate who is responsible for repair. Any fitted integral appliances will be Landlord responsibility

The tenant will not be given keys/possession unless they have signed and agreed the inventory, at the property, at the time of handover.

AT THIS TIME WE GIVE AND ASK THE TENANT TO SIGN FOR THE FOLLOWING

The gas safety certificate, if applicable, MUST also be given to the tenant at the start of the tenancy. Recent court cases have resulted in dramatic consequences if not supplied and signed for at commencement. Ask for further details

A copy of the EPC, a copy of the current How To Rent guide

Failure to supply these items will result in a probable problem with serving a Section 21 notice, to end the tenancy and recover possession. – Ask for further details

This Company cannot be held responsible for Inventory discrepancies.

UTILITIES /COUNCIL TAX - We have the names changed into the name of the tenant and arrange final meter readings and forwarding address for the Landlord. The final account is then sent to the Landlord or may be sent to this office for payment should we expect to be in funds to do so.

TELEPHONE/Broadband: Landlord/Tenant must contact the telephone supplier; they will not accept instructions from other parties.

RENT COLLECTION - The tenant normally pays rent calendar monthly in advance to this Company in the form of standing order, of which the balance - less fees and any repair costs - is paid directly into our Clients' bank account (via BACS). Therefore we require your bank details. A remittance advice is sent monthly and an annual statement for tax purposes is sent to our Clients. When Managing your property, we must always be in funds for repairs or any outstanding accounts to be paid on your behalf. If we are not in funds we will be unable to pay accounts on your behalf. **We cannot use Company funds to pay your Accounts.**

RENT INCREASES: - Subject to inflation and current rental market values/trends. We will assess annually or when inspections are done

RENT ARREARS - This may be dealt with by the third party who provide the rent warranty cover and who cover the legal costs. However if warranty cover is not applicable then in the case of non-payment of rent, after one calendar month, we warn the tenant of pending formal Notice to Quit, which can be issued on two months arrears, giving the tenants 14 days to vacate the premises. Should he/she fail to vacate, we "on taking our client's instruction" apply for a Court Order for possession, via solicitors. We cannot however guarantee the tenants will attend Court, and the Landlord may be liable for all legal expenses. This Company cannot be held responsible for non-payment of rent. Costs to Landlord: Court Order is payable plus legal fees of solicitors.

KEYS - We hand the keys over to the tenant(s) on the moving in date or before if over a weekend. We recommend a set of keys be left at this office for inspection purposes and one set for each tenant moving in to the property.

INSPECTIONS - Inspections are carried out initially three monthly, if required. We notify you of the general condition of the property, however we cannot be held responsible for Building defects unseen as we are not Chartered Surveyors or Building Contractors and as such are not qualified to do so. Should we find section 11 defects, we take your instructions accordingly as to repair. However, should the repair be urgent or dangerous, it will be carried out without consent from the Landlord. We do not inspect lofts/roof spaces.

RESIDENTIAL PROPERTY MANAGEMENT & LETTING SCALE OF FEES (with effect from 1/1/20)

In the case of Full Management our fees are charged monthly from the rent received.

NB. WE DO NOT CHARGE ANY SET UP FEES.

All rent is paid into our HSBC Client Rent account (no interest is payable to the Client). We, as required by law, have Client Money Protection. The balance of the rent, less our monthly fee and any deductions, is transferred direct to the Landlord's account via BACS transfer

Please find set out below, CHARLES KIMBELL INTERNATIONAL Residential Property Management and Letting services and scale of charges.

NB. Final Agreed Fee rates will depend upon property valuation and may reduce by per property for more than 1 property to a minimum of 8 % (9.6% inclusive of vat).

MANAGEMENT AND LETTING COMBINED FEE (full service package)

Sole Agency [maximum] - 12% net of vat - 14.4% Inclusive of VAT per monthly rent collected

ie if Rent is £400pcm – 14.4% monthly fee will be inclusive of vat - £57.60

Above is subject to negotiation, in regard to the rent achieved – so for example if the

Rent is £800.00 pcm – then expect 10.8% fee inclusive of vat - £86.40

** Rent Guarantee insurance cost is included in the management fee if the monthly fee is more than £80.00 inclusive of vat. However from 1/1/2020 if the fee is less then we shall charge £108.00 pa inclusive of vat for the renewal of the insurance and if required and renewed then £9.00 pcm inc vat will be charged. We also offer this insurance for free on a property to property basis if you introduce new landlords/or properties. Also if you use the house insurance policy we offer then this is included in that cover – with one month excess.

LANDLORD SELF LET - MANAGEMENT ONLY FEE

(Landlord finds/supplies own tenant OR let property transferred from another agent - we then manage the let)

If vacated then fee structure may revert to a higher level if relet by us – rate to be agreed at the time

Fee rate will be set in regard to the rent being paid

– maximum fee – 9.6% inclusive of vat - minimum fee - 6% inclusive of vat

The above figures relate to the period the tenant(s) remain in the property and/or term of Tenancy Agreement.

INTRODUCTION ONLY FEE (We find tenant and reference them – Warranty included for 1st year)

Subject to a minimum of £500.00 (£600.00 inclusive of vat) - **50% of one months rent (60% inclusive of vat)**

In the case of introduction only if the tenancy is renewed we recommend that the Rent Guarantee insurance is extended at a cost of £108.00 (inclusive of vat) for each extra twelve month period. This can be charged monthly.

Note: Applicable to all above - a Cancellation fee is payable if a tenant has been referenced and then the Landlord withdraws the property, having prior knowledge that the applicant is/has been referenced. Fee will be £250.00 inclusive of vat.

INVENTORY CHARGES - Inclusive in Full Management Service Charges, otherwise:

Listing only - £80.00 inclusive of vat for up to 2 bedrooms (£30.00 inclusive of vat per extra bedroom)

Check-in/Check-out - £36.00 inclusive of vat per visit

NB Loft areas/roof spaces are not checked or listed. Full photo record will be taken

RENT COLLECTION ONLY

This service is for Clients who are out of the Country and who wish the rent to be monitored by this Company. (We cannot be held responsible for non-payment of rent). - 6% inclusive of vat of rent received

INSPECTION ONLY

We will inspect the property on your behalf and report back to you on the state of the interior and furnishings.

- £60.00 (inclusive of vat)

TERMINATION OF INSTRUCTION

It is agreed that either party may terminate the business relationship by giving three months notice in writing, after a three month period of the initial tenancy has elapsed. Fees will be payable during this period. If a tenant buys their rental property then fees are payable for the outstanding period of tenancy term left. No sale fees are charged by Charles Kimbell.

REPAIRS

Unless it is an emergency we will always seek Landlord authorisation and a quote figure if feasible/required. We do not levy an additional charge (or receive a fee from contractors) for co-ordination of repairs/building works to your property. To do so without advising a Landlord is a “secret profit” which is illegal. However we may charge when the repairs relate to an Insurance claim relating to repairs, or for coordinating major works, and which involves site visits. Charge will be 10% (inclusive of vat) of the Insured Claim cost if over £5000.00

TERM OF TENANCY

The term can vary from one month to one year renewable however, we recommend a 12 month Contractual Periodic tenancy with a break clause at 6 months. Longer tenancies will usually result in less wear and tear on the property.

MORTGAGE COMPANY

We advise you to inform your Mortgagee of any proposed letting as you will need their consent, (they usually charge a fee for documentation).

INSURANCE – LANDLORDS RECEIVE FREE RENT WARRANTY IF YOU USE OUR INSURANCE

As an authorised and regulated FCA firm, registration number 309886, we can offer a variety of specialist Landlord buildings and contents insurance products, which can cover for accidental damage and malicious damage by tenants. These products are available even if we do not manage/let your property, please contact us for details and to arrange a quotation.

Overseas Landlords should leave copies of all Insurance Policies with this office in case of claims. We recommend you notify your Insurance Company for extra cover to include tenants in residence and check to ensure that by renting your property out your insurance policy is not invalidated.

Any Landlord who takes out insures their property with us will receive free referencing and rent guarantee insurance – (terms apply)

INCOME TAX

As your Managing Agent, we are liable for payment of taxes on unearned income should you **be resident outside the United Kingdom**. For this reason, we retain 20% of the gross rent received in a current account for the Inland Revenue. When your accountant assesses your account with us and we receive a statement from the Inland Revenue, then and only then are we obliged to release funds from that account. Overseas Landlords can apply for tax exemption - please contact your local tax office for details, and you will need our relevant HMRC number.

RISKS INVOLVED IN LETTING YOUR PROPERTY

We must stress, in letting your property, there are risks involved:

1. Tenants non-payment of rent.
2. Tenants using deposit as rent (not paying final months rent).
3. Tenants not vacating the property on expiry of tenancy.
4. Tenants having more people in residence than agreed.
5. Tenants failing to attend Court for non-payment of rent.
6. Tenants not reporting damage at the property in good time.
7. Tenants neglecting the property (not cleaning/having pets/smoking).

For the above reasons, it is advisable to employ a Managing Agent and to utilise the “safety net” insurance policies available. Charles Kimbell International however, CANNOT be held responsible for the above occurrences.

However as your Managing Agent, we will act on your behalf, negotiate and implement your instruction within the confines of the Law of Property and Rent Acts, advise you on Property Management and Letting issues and assist you in every way within our capacity.

INDEMNITY

The owner of the property undertakes to ratify whatsoever the Agents shall lawfully do by virtue of this Agreement and to indemnify them against all costs and expenses properly incurred by them.

DISCLAIMER

The agent will not be under any liability which may be imposed directly upon the agents by reason of any present or future statutory or similar provision unless such responsibility is the subject of express written instructions to the agent which have been accepted by the agent in writing and the indemnity contained in the indemnity clause hereof shall apply accordingly.

