



**TERMS OF BUSINESS**

**Residential Fully Managed Service  
& Tenant Only Service**



**PRIORY**  
ESTATES

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## TERMS OF BUSINESS

These terms set out the Agreement between 'you' the Landlord and Priory Estates (Essex) Ltd 'us'.

### Agent

Priory Estates (Essex) Ltd

### Company Registration Number

5072480

### The Property Ombudsman Membership Number ([www.tpos.co.uk](http://www.tpos.co.uk))

N02733

### Registered Office Address

Town Wall House, 4 Balcerne Hill, Colchester, Essex CO3 3AD

### Trading Address(s)

88 Connaught Avenue, Frinton on Sea, Essex CO13 9PT  
147 High Street, Harwich, Essex CO12 3AX

## DEFINITIONS

1. In this Agreement the following Definitions and Interpretations apply
  - a) Use of the singular includes the plural and use of the masculine includes the feminine and vice versa
  - b) "Agent" "we" or "us" means the Agent trading from the Trading Office Address(es) as described.
  - c) "Jointly and severally liable" means that each person will be responsible for complying with the obligations of and paying all charges and costs under this agreement, both individually and together.
  - d) "Landlord" "you" or "your" means the Landlord as described and any other person owning a reversionary interest in the Property, whether Freehold or Leasehold, entitling them to possession of it upon the Termination or expiry of the Tenancy and anyone who later owns the Property.
  - e) "Tenant" means anyone entitled to possession of the Property under a Tenancy Agreement.
  - f) "Occupier" means a Tenant or any other person or organisation entitled to occupy the Property under a Tenancy, Licence or any other form of Agreement or Contract.
  - g) "Property" means any part or parts of the building, boundaries, fences, garden and outbuildings belonging to the Landlord at the Property Address set out in this Agreement. When the Property is part of a larger building the Property will include the use of common access ways and facilities.
  - h) "Inventory" or "Inventory and Schedule of Condition" means the document drawn up prior to the commencement of the Tenancy by the Landlord or Agent, which includes the fixtures and fittings in the Property.
  - i) "Term" or "Tenancy" means the fixed Term of the Tenancy Agreement and any extension or continuation of the Tenancy whether fixed Term or periodic arising after the expiry of the original Term
  - j) "Write" means to communicate via hard copy and sent by post or email if appropriate
  - k) "Superior Landlord" means the person, company or organisation to whom ownership of the Property reverts at the end of the lease.
  - l) "Deposit" means the money held by the Agent in a stakeholder capacity during the Tenancy in case the Tenancy fails to comply with the Terms of the Tenancy Agreement.
  - m) "Relevant Person" means a person who paid the Deposit or any part of it on behalf of the Tenant

- n) "Scheme" means an authorised tenancy deposit protection scheme set up in accordance with the Housing Act 2004, determined by an ADR process, or ordered by Court.
- o) "Stakeholder" means that deductions can only be made by the Agent from the Deposit at the end of the Tenancy with the written consent of both parties.
- p) "Statutory Time Limit" means the time limit set out in the Housing Act 2004 (as amended) in which the initial requirements of the Scheme must be met, and prescribed information must be provided to the Tenant and any Relevant Person.
- q) "Tenancy Agreement" means the contract between the Landlord and the Tenant relating to the letting of the Property and specifying obligations of the two parties.
- r) "TDS" means The Dispute Service whose details are shown in the Tenancy Agreement
- s) "ICE" means the Independent Case Examiner of The Dispute Service Limited.
- t) "Agreement" means the Terms of Business signed between the Agent and the Landlord.
- u) "Member" means the Agent who is a member of the Tenancy Deposit Scheme.
- v) "Regulations" means the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013.
- w) "Prescribed Information" means the information that is required to be provided to the Tenant and any Relevant Person under the rules of a government authorised tenancy deposit scheme as prescribed in the Housing (Tenancy Deposits) (Prescribed Information) Order 2007.
- x) "Calendar Day" or "day" means any day of the year, including Saturday, Sundays and bank holidays.
- y) "Working Day" means a day that is not a Saturday, Sunday, nor any day that is a bank holiday under the Banking and Financial Dealings Act 1971 or any customary or public holiday in England and Wales.
- z) "Scale of Charges" means the scale of our charges which is appended to .
- aa) "Commission" means the commission payable to us by you for the provision of our services under this Agreement as is more particularly set out in the Scale of Charges.
- bb) "Rent" means the rent payable by the Occupier under the Tenancy Agreement.
- cc) "GDPR" means the General Data Protection Regulations ((EU) 2016/679).
- dd) "DPA 2018" means the Data Protection Act 2018.

## **Jurisdiction and Service**

2. This Agreement shall be governed by and construed in accordance with the Law of England and Wales and the Courts of England and Wales shall have exclusive jurisdiction in respect of any dispute under it.
3. Any legal proceedings to be served in respect of this Agreement which are to be served outside the jurisdiction shall be deemed to be sufficiently served if they are sent by ordinary first-class or airmail post or its equivalent and it is agreed that all legal proceedings may be served in English without the necessity for translation into any other language.
4. The provisions for the service of any notices or documents that are necessary under this Agreement, or any Act of Parliament are:-
  - (i) if delivered by hand or left at the last known address of the other party by 5pm, service will be deemed on the next Working Day; or
  - (ii) if sent by registered, or recorded delivery post, service will be deemed at the time provided by the delivery service; or
  - (iii) if sent by ordinary first class post to the last known address of the other party; service will be deemed two Working Days later.
5. The address for service for us will be; Priory Estates, 88 Connaught Avenue, Frinton on Sea, Essex CO13 9PT.

## **Service Information**

6. Our VAT number is **688536672**.
7. We are members of the dispute and compensation scheme operated by The Property Ombudsman([www.tpos.co.uk](http://www.tpos.co.uk)) and our registration number is N02733
8. We are members of the Association of Residential Letting Agents and subscribe to the code of conduct of that organisation.

## **Acts of Third Parties**

9. We will not be responsible for any loss or damage that you may suffer or incur through the act, default, omission or negligence of any third party which may arise other than as a result of our negligence, omission or failure.
10. The Contract (Rights of Third Parties) Act 1999 does not apply to this Agreement.

## **Termination**

11. The Agreement can be terminated in Writing for the following:
  - a) By us if you are in major breach of any of the terms contained in this Agreement or if you do or do not do something which makes it impossible, impracticable or illegal for us to continue to perform our obligations under this Agreement;
  - b) Either party carries out or suggests that the other should carry out any form of unlawful discrimination.
12. If you terminate this Agreement for any reason you will remain liable for our Commission as described in our **Scale of Charges** and for any fees or costs we might incur on your behalf in transferring our obligations to you or to someone you might nominate.

## **Assignment**

13. We reserve the right to assign our rights and/or obligations under this Agreement upon giving you prior written notice.

## DATA PROTECTION

14. You consent to us holding, either electronically or in paper format, and processing information and personal details on or on behalf of you under in and in accordance with the GDPR and Data Protection Act 2018. You also agree to your current address being provided to a Tenant or Occupier, a debt collector (if fees are not paid and we wish to refer the matter), solicitor; a government agency, utility suppliers and the local authority. We are obliged to include the full name and address of the Landlord on all rent demands. If the Landlord's address is outside England and Wales, then we must provide the Tenant with an address within England and Wales where notices (including notices in proceedings), may be served on the Landlord.

### Interest on Clients' Monies and Commission

15. Any interest accrued on monies that we hold on your behalf will be retained by ourselves to cover any properly incurred bank and administration charges etc.

### Variation

16. These **Terms of Business** may only be varied if agreed between the Landlord and the Agent and confirmed in Writing by both parties.

### Fees and Commissions

17. The Landlord should read these **Terms of Business** carefully and the **Scale of Charges** supplied separately but which are incorporated into these Terms of Business and which clearly set out the commission, fees and other charges including any renewal, extension or continuation of the Tenancy (either as a fixed term or a periodic tenancy) which will be payable by you whether or not we are instructed on your behalf. Ensure you are certain of the meaning of the charges you will incur.
18. You are responsible for paying our commission as stated in our **Scale of Charges** when any person, company or other organisation enters into a binding contract for the occupation of a Property where they do so as a result of:
  - a) A viewing conducted by us;
  - b) An introduction by us;
  - c) Any negotiations by us;
  - d) Sight of any marketing material produced by us or by our instructions;
  - e) By way of an introduction from an existing occupier for which we have previously charged a commission.

By signing our **Instruction To Let**, the Landlord gives us authority to deduct our commission, fees, expenses and other costs from any monies belonging to the Landlord or any deductions from the Deposit agreed by the Tenant for any Property owned by the Landlord where we are or were acting on the Landlord's behalf.

19. Any fees, commission charges (including renewal commission charges) that remain outstanding for a period of more than 7 days may be paid from any sums, including any rental payments held on this or any other Property on which we are instructed. We reserve the right to charge interest on any amounts outstanding 28 days after the fees are first demanded; such interest to be charged at the rate of 3% above Barclays Bank base rate.

## **VAT**

20. Value added Tax will be chargeable on all Commission and other charges where it is applicable at the prevailing rate (currently 20%) This rate may change from time to time and the total cost will change accordingly. All fees contained within this Agreement are shown exclusive of VAT.

## **Management Service**

21. If we are instructed to manage the Property you will be charged Commission at the full management percentages as stated in our **Scale of Charges**.

## **Commission Due**

22. Our Commission payment will become due at the agreed start date of the Tenancy Agreement and we will take payment from the monies paid by the Occupier of the Property until all of our Commission and any fees and disbursements have been paid. Commission is also due for any rent-free periods should they be granted either at the commencement of the Tenancy or during the Tenancy.

## **Refund of Commission**

23. We will not make any refund of our Commission if the Tenancy terminates before the original agreed Term, whether this occurs due to the use by you or by the Tenant of any contractual break clause in the Tenancy Agreement, an agreed surrender, repudiation, rescission, frustration or forfeiture of the Tenancy, through any Court proceedings, or if your interest in the Property is assigned to another party.

## **Withdrawal from an Agreed Offer**

24. If you instruct us to proceed with a proposed Tenancy and subsequently withdraw your instructions, you agree, by signing the **Instruction To Let**, to meet our reasonable costs and expenses incurred to such withdrawal date. This clause does not affect any statutory Rights to Cancel that you may have under the Cancellation Regulations if you are acting as a Consumer. If you have a Right to Cancel under the Cancellation Regulations, this clause will apply if you withdraw your instructions at any time after the 14-day cancellation period, or at any time after we have received a written request for us to market the property.

**SCHEDULE 1: AGENTS OBLIGATIONS**  
**When we are instructed on a FULLY MANAGED BASIS:**

- a) We will visit the Property to view it and provide you with an indication of the current market rent achievable
- b) We will market your Property to suitable applicants of the availability by erecting a To-Let board (providing that consent has been given), and by advertising via our website, and property portals and local media, alongside our offices. You must notify us in writing if you have previously agreed not to erect a To-Let board with the Superior Landlord, Freeholder or other interested party, or local by-laws or conservation area restrictions prevent the erection of a Board.
- c) As and when we have applicants interested in viewing your Property, we will either accompany these people with keys provided by you or arrange a mutually convenient appointment for them and us to meet the current Occupier at the Property.
- d) We will negotiate any offers received between you and the applicant and confirm all the terms of the offer to you for acceptance.
- e) When an applicant shows an interest in your Property, we will;
  - Oversee the completion of an Application Form;
  - Take up references upon each applicant whenever possible, including employment, character and landlord references where applicable and obtain a Credit Check Report. Where not possible we will explain the reasons.
  - Complete Right to Rent Checks and obtain sufficient bank statements or other financial proof for affordability purposes.
  - Once the applicants' references are complete, we will forward copies to you for approval.
  - You must confirm that the references are acceptable. If we do not hear from you to the contrary within 7 days of sending references to you, we will assume acceptance and proceed with letting, provided that we have received a signed copy of this Agreement and the necessary funds. When we proceed, we will be doing so without any responsibility for the accuracy of those references or in the information contained in them, unless it is due to our negligence or breach of contract. We will not be warranting and give no warranty that the Tenant is suitable. We do not re reference tenants when tenancies are extended or renewed, unless specifically requested in Writing by the Landlord and agreed by us.
- f) We will prepare a Tenancy Agreement setting out the rights and obligations of both parties including any special terms that have been agreed. If the Landlord wishes to use a Tenancy Agreement drafted by their solicitor or other advisor this must be supplied within a reasonable time before the Tenancy is due to commence.
- g) We will notify the water supplier and the local authority when the Tenant occupies your Property. Note the utility companies (gas and electric) will not take instructions from us as we are not the account holder, therefore it is the Landlord's responsibility to notify the relevant supplier of the change of occupant and the Tenant's responsibility to contact the relevant provider and set up their own account. We will take meter readings at the start and end of the tenancy to assist with any changeover.
- h) We will arrange the cleaning of the Property if we have received prior written instruction from you, Such service to be charged as per the contractor's invoice.
- i) We will collect the first month's Rent and Deposit and facilitate the setting up of a standing order where necessary so that further Rent payments are made promptly to us for processing. We cannot be held responsible for the ongoing standing order mandate as this is controlled by the payer.
- j) Rent received in relation to the Property will be sent to you within 7 working days of receipt of cleared funds, less our agreed Commission, fees and expenses (as applicable) into your nominated bank or building society account.
- k) You must set up a facility with your bank to ensure payment of all regular out-goings to take account of alterations to the payment dates, void periods or failure by the Tenant to pay any sums due.



- l) We cannot be held responsible if the Tenant fails to pay any sum due under the Tenancy Agreement unless it is due to our negligence or our breach of contract. We will however take action in your name to recover unpaid monies by serving the appropriate letter requesting payment to the Occupier. If this does not have the required effect then we will advise you to instruct solicitors to take further action. You will be responsible for any legal charges and expenses incurred.
- m) We will hold the Deposit paid by the Tenant as Stakeholder against damage, breach of the Tenancy Agreement or any other outstanding charges owed by the Tenant. We will register the details of the Deposit with the TDS and serve the Prescribed Information. We will protect the Deposit and serve the Prescribed Information within 30 days.
- n) We will request a minimum of two sets of keys from you for the Property prior to the Tenancy commencing. Should additional keys be required, the cost of obtaining these will be deducted from the Rent.
- o) We will request a copy of all current legal safety records or arrange, if requested, for the relevant safety inspections to take place and hold a current certificate with respect to this. All safety records must be supplied to us at least seven days before a Tenancy commences, or we have deemed permission from you to have the relevant safety inspections carried out by a suitably qualified contractor. The cost of these inspections to be borne by the Landlord as per the contractor's invoice and will be deducted from the Rent.
- p) An Inventory/Schedule of Condition is essential for the proper management of your Property, whether they are let furnished or unfurnished, to reduce the risk of a dispute arising about the Deposit. If instructed by you, we will undertake a full Inventory/Schedule of Condition to be provided to the Tenant to check at the start of the Tenancy and a check out report to determine whether or not there is any damage, or compensation for breach of tenancy, or cleaning needed, taking into account the check-in report of the Inventory and Schedule of Condition. A copy of the Inventory/Schedule of Condition and Check out report will be sent to both you and the Tenant for comments if requested. The cost of a full Inventory/Schedule of Condition is subject to an extra charge – as per our **Scale of Charges**.
- q) If you instruct us to proceed with a proposed Tenancy and subsequently withdraw your instructions then you agree by signing the **Instruction To Let** to meet the reasonable costs and the expenses incurred by the Tenant.
- r) We will not arrange works prior to a letting (whether requested by the Landlord or the intended Tenant) unless sufficient funds are held to cover the cost and the Landlord has requested us to do the work in Writing.
- s) We will deal with day-to-day management matters, including minor repairs up to a maximum figure for any one item which will be agreed with the Landlord at the time of taking the instruction and signing of the **Instruction to Let**. Except in the case of an emergency, or to enable you to comply with statute, whenever practical, an estimate is obtained and submitted to you for approval for works of redecoration, renewal or repair likely to cost more than £200.00. An additional supervisory fee as specified in our **Scale of Charges** is charged for supervising work in excess of £400.00. By signing the **Instruction To Let**, you agree that we can instruct contractors on your behalf and deduct the cost of repairs and maintenance from the Rent or the fund mentioned below.
- t) We will instruct tradesmen to carry out any maintenance, repairs or other work on your behalf, by signing the **Instruction To Let** you give us authority to instruct contractors on your behalf and deduct the cost of their invoices up to a maximum of £200.00 except in an emergency which risks significant damage to your Premises or to the life of an individual where the amount is unlimited You however remain liable for the payment of all invoices to tradesmen.
- u) We will use a particular contractor if requested by you, provided we have copies of their professional qualification, public liability insurance and the person is readily available. If any damage is caused by the negligence or failure of tradesmen specified by the Landlord, we, the Agent, will not be liable for any loss suffered.
- v) We will try to arrange a mutually convenient time for contractors to meet the Tenant when attending the Property to undertake work on your behalf. Where this is not possible, we may be able to arrange to meet the contractor at the Premises.

- w) We will not be liable for any loss or damage suffered by you if we are unable to carry out repairs or maintenance because we do not hold sufficient funds unless the loss or damage is due to our negligence or breach of contract.
- x) We will use our best endeavours to ensure that any new regulations or laws are complied with as soon as possible.
- y) We will make provision to visit the Property four times each year provided the Tenant grants access. We will endeavour to broker a mutually convenient time for visits but if the Tenant does not grant access it will be your responsibility to take legal advice and instruct us of the appropriate action. These visits are of a limited nature in order to verify the general good order of the Property and the proper conduct of the Tenancy by the Tenant. A visit will not constitute a complete check of every part of or every item in the Property, but is to enable us to note any repairs or maintenance which should be brought to your attention. A visit will only note repairs of which we are informed or which are clearly visible. We are not liable for any loss or damage due to hidden or latent defects. It should be noted that we do not inspect lofts, inside cupboards, garages or basements when carrying out periodic inspections.
- z) We do not accept responsibility for actual variance between the report and the item reported upon. We will liaise with the Tenant on all day to day matters arising and will make all final decision as to liability with regards to any damage or breakage incurred at the Property in respect of the Deposit, subject to arbitration
- aa) Supervision of the Property is not part of our management function when it is unoccupied. If you wish us to manage your Property during a void period, we will do so subject to the charges specified in our **Scale of Charges** which are payable in advance together with your Written instructions. We will visit the Property once a week during office hours being Monday to Friday between 9am and 5pm We will inform you of any lack of repair or maintenance, but will not instruct a contractor unless we hold cleared funds and you confirm in Writing we may deduct the cost of the contractor from these funds.
- bb) Serve Notice to end the Tenancy, if requested in Writing, should the Landlord not wish to renew or extend the Tenancy as shown under Renewals below. The Landlord must provide us with written warning at the relevant time that he wants to end the Tenancy either at the end of the fixed Term or according to a break clause. We cannot be held liable for any delay in getting possession if the Landlord provides insufficient time for service of the Notice.
- cc) Unless instructed in writing prior to vacation, we will leave all heating controls and that of the immersion as found upon the tenant vacating.
- dd) Notify the Landlord that it is not part of our normal function to forward the Client's mail. We recommend that you arrange for it to be redirected by Royal Mail.
- ee) We will contact you towards the end of the initial fixed Term to find out if the Tenancy should be renewed and to agree any renewal instructions. We will then review the Rent if requested and advise you if a Rent increase is possible or desirable depending upon current market conditions. You must confirm to us in Writing if you wish the Tenancy to be renewed, continue as a periodic Tenancy or Notice served. We do not serve Notice on the Tenant unless you instruct us to do so in Writing. We will write to the Tenant once written confirmation has been received from you requesting the Tenancy to be renewed or extended as a periodic Tenancy, asking if they wish to renew the Tenancy and advising of any proposed Rent increase if a new fixed Term is agreed. We will then negotiate between the two parties if requested. We will then prepare the extension document for both parties where requested including drafting any new or special clauses agreed between both parties carrying the terms of the original Tenancy.
- ff) If the Tenant fails to return the extension documents the Tenancy will continue as a periodic Tenancy until either party gives Notice in Writing. We have no liability if the Tenant fails to return the extension documents.

- gg) If the Tenant has as Assured Shorthold Tenancy and it continues to roll-on a month to month basis (i.e. a periodic Tenancy), rather than agreeing a new fixed term agreement, then the Rent can only be lawfully increased on an annual basis if we serve the Tenant with a valid Notice under The Housing Act 1988. This notice advises the Tenant that they have a right to challenge the increase by serving the Landlord with a counter notice and ultimately referring the increase to the Rent Assessment Committee. If the Tenant makes a counter proposal you, the Landlord, can either accept it or pursue the issue to a hearing, at which point we would recommend that you engage a solicitor directly. The Landlord will remain responsible for all professional and legal charges. Where a tenancy is renewed or a statutory periodic tenancy arises the Deposit must continue to be properly protected in the relevant Scheme.
- hh) If the Tenant leaves the Property of their own accord prior to the expiration of the Tenancy it is the Landlord's responsibility to take the appropriate action to recover any outstanding Rent from the former Tenant.
- ii) We will use our reasonable endeavours to obtain a forwarding address to give to the water company to comply with the Flood and Water Management Act 2010, which makes payment of the final water account the liability of the Landlord if no forwarding address is provided. We cannot be held liable if the Tenant does not provide an address or gives an address that is not deemed acceptable to the water company.
- jj) We will use our reasonable endeavours to recover the possession of the property in accordance with instructions received but cannot be liable for any delays, damages or costs incurred because such vacant possession is not achieved within the time scale requested. It will be the responsibility of the Landlord to instruct solicitors with whom Priory Estates will liaise. Priory Estates will not be liable for any legal or other costs incurred in any action against current or previous tenants undertaken on the Landlord's client's instruction.

## **SCHEDULE 2: AGENTS OBLIGATIONS**

**When we are instructed on a TENANT ONLY BASIS:**

- a) We will visit the Property to view it and provide you with an indication of the current market Rent achievable
- b) We will market your Property to suitable applicants of the availability by erecting a To-Let board (providing that consent has been given), and by advertising via our website, and property portals and local media, alongside our offices. You must notify us in writing if you have previously agreed not to erect a To-Let board with the Superior Landlord, Freeholder or other interested party, or local by-laws or conservation area restrictions prevent the erection of a Board.
- c) As and when we have applicants interested in viewing your Property, we will either accompany these people with keys provided by you or arrange a mutually convenient appointment for them and us to meet you or the current Occupier at the Property.
- d) We will negotiate any offers received between you and the applicant and confirm all the terms of the offer to you for acceptance.
- e) When an applicant shows an interest in your Property, we will;
  - Oversee the completion of an Application Form;
  - Take up references upon each applicant whenever possible, including employment, character and landlord references where applicable and obtain a Credit Check Report. Where not possible we will explain the reasons.
  - Complete Right to Rent Checks and obtain sufficient bank statements or other financial proof for affordability purposes.
  - Once the applicants' references are complete, we will forward copies to you for approval.
  - You must confirm that the references are acceptable. If we do not hear from you to the contrary within 7 days, we will assume acceptance and proceed with letting, provided that we have received a signed copy of this Agreement and the necessary funds. When we proceed, we will be doing so without any responsibility for the accuracy of those references or in the information contained in them, unless it is due to our negligence or breach of contract. We will not be warranting the Tenant as suitable. We do not re reference tenants when tenancies are extended or renewed, unless specifically requested in writing by the Landlord and agreed by us.
- f) We will prepare a Tenancy Agreement setting out the rights and obligations of both parties including any special terms that have been agreed. If the Landlord wishes to use a Tenancy Agreement drafted by their solicitor or other advisor this must be supplied within a reasonable time before the Tenancy is due to commence.
- g) We will notify the water supplier and the local authority when the Tenant occupies your Property. Note the utility companies (gas and electric) will not take instructions from us as we are not the account holder, therefore it is the Landlord's responsibility to notify the relevant supplier of the change of occupant and the Tenant's responsibility to contact the relevant provider and set up their own account. We will take meter readings at the start and end of the tenancy to assist with any changeover.
- h) We will arrange the cleaning of the Property if we have received prior written instructions from you, this will be charged as per the contractor's invoice and subject to you putting us in funds for this.
- i) We will collect the first month's Rent and Deposit and facilitate the setting up of a standing order where necessary so that further Rent payments are made promptly to you direct. We cannot be held responsible for the ongoing standing order mandate as this is controlled by the payer.
- j) We will hold the Deposit paid by the Tenant as Stakeholder against damage, breach of the Tenancy Agreement or any other outstanding charges owed by the Tenant. We will register the details of the Deposit with the TDS and serve the Prescribed Information. We will protect the deposit and serve the Prescribed Information within 30 days.
- k) We will request a minimum of two sets of keys for the Property from the Landlord prior to the Tenancy commencing.

- l) We will request a copy of all current legal safety records or arrange, if requested, for the relevant safety inspections to take place and hold a current certificate with respect to this. All safety records to be supplied to Priory Estates seven days before a Tenancy commences. You can request that we undertake any relevant safety inspections as required by law, however the request must be in writing and we must be in receipt of funds in order to instruct on your behalf. The cost of these inspections to be borne by the Landlord as per the contractor's invoice.
- m) An Inventory/Schedule of Condition is essential for the proper management of your Property, whether they are let furnished or unfurnished, to reduce the risk of a dispute arising about the Deposit. If instructed, we will undertake a full Inventory/Schedule of Condition schedule to be provided to the Tenant to check at the start of the Tenancy and a check out report to determine whether or not there is any damage, or compensation for breach of tenancy, or cleaning needed, taking into account the check-in report of the Inventory and Schedule of Condition. The cost of the Inventory/Schedule of Condition to be charged as per our **Scale of Charges**. A copy of the Inventory/Schedule of Condition will be sent to both you and the Tenant for comments if requested.
- n) If you instruct us to proceed with a proposed Tenancy and subsequently withdraw your instructions then you agree by signing the **Instruction To Let** to meet the reasonable costs and the expenses we have incurred.
- o) We will not arrange works prior to a letting (whether requested by the Landlord or the intended Tenant) unless sufficient funds are held to cover the cost and the Landlord has requested us to do the work in writing.
- p) We will contact you towards the end of the initial fixed Term to find out if the Tenancy should be renewed and to agree any renewal instructions. We will then negotiate between the two parties if requested. We will then prepare the extension document for both parties where requested including drafting any new or special clauses agreed between both parties carrying the terms of the original Tenancy. If instructed on a Tenant Only basis, then there is a charge for renewing the contract as per our **Scale of Charges**.
- q) If the Tenant fails to return any extension documents the Tenancy will continue as a periodic Tenancy until either party gives Notice in writing. We have no liability if the Tenant fails to return them

## SCHEDULE 3: LANDLORD'S UNDERTAKINGS

### Consent for Letting

1. By signing the **Instruction To Let** you warrant to us that you are the owner of the Property, or otherwise lawfully entitled to enter into an Occupation Agreement. You may be asked to provide us with sufficient documentary evidence to satisfy us and the Occupier that you are entitled to do so. You will indemnify and keep us indemnified against all costs, claims, demands, losses, or other expenses we may incur due to you not having the right to enter into a Tenancy Agreement.

### Mortgage

2. If the Property is subject to a mortgage, you will need your mortgagee's written consent to the proposed letting. By signing the **Instruction To Let**, you confirm that you have your mortgagee's consent to grant a Tenancy. The mortgagee may want to see a copy of the Tenancy Agreement, which can be supplied upon written request. The mortgagee may charge you a fee for giving their permission. If your mortgagee has any special conditions relating to the Tenancy or type of Tenant you must provide them to us prior to the start of the Tenancy to be included within the Tenancy Agreement. Conditions cannot be imposed upon a Tenant at a later date. You will indemnify and keep us indemnified against all costs, claims, demands, losses, or other expenses we may incur due to you not having the proper consent from your mortgagee to enter into a Tenancy Agreement.

### Sub-letting

3. If you are a leaseholder, you will normally require the consent from your Superior Landlord, Freeholder or their managing agent before you can sub-let the Premises to an applicant. In giving consent the Superior Landlord, or their managing agent may require you to provide references for your Tenant, and for you and your Tenant to enter into an agreement to observe the covenants in your head lease. A fee may be charged for granting consent to sub-let, which is your liability, and for the licence granted prior to the start of the Tenancy and upon renewal. We will need a copy of any sections of head lease that impose restrictions on the behaviours of the Occupier together with any schedules referred to therein, so that we can attach a copy of this to the Occupancy Agreement. If the Occupier is not given a copy of the relevant sections of the head lease you cannot impose any obligations contained in it upon them. This could lead you to breach the terms of your lease. You will indemnify and keep us indemnified against all costs, claims, demands, losses, or other expenses we may incur due to not having the proper consent from your Superior Landlord to enter into a Tenancy Agreement.

### Insurance

4. It is essential that the Property and the contents are adequately insured and that your insurers are aware that the Property is let. Failure to do so may invalidate your insurance. You must inform your insurers whenever the Property remain vacant for a period greater than specified in your insurance policy. You should also check that your insurance policies include third party liability to protect you if the Tenant or a visitor to the Property is injured. You must give us copies of any section of your insurance policies that impose restrictions on the behaviour of any Occupier of the Property to attach to the Occupancy Agreement at its commencement, including any conditions for vacant premises. If these are not given to the Occupier then they have no obligation to comply, which could be breach of your insurance contract rendering any claim void. We cannot be responsible for the renewal of your insurance cover. We can arrange for an insurance policy that covers loss of Rent and contents, and legal expenses.

## **Residency**

5. The Landlord must inform Priory Estates of any change in his residency.

## **Taxation**

6. You will be liable for tax on income arising from letting the Property and you must inform Her Majesty's Revenue and Customs ("HMRC") that you are letting the Property. There are a number of allowances that you can claim against this income. You should seek advice on these allowances from your accountant or from the HMRC website which can be accessed on [www.hmrc.gov.uk](http://www.hmrc.gov.uk). You must also keep all invoices for six years for tax purposes. You should be aware that we forward a form to the HMRC annually detailing all landlords whose Property we have let and the rental income they have received, regardless of the country of residence of that landlord.

The HMRC has special rules regarding the collection of tax on rental income if you are a landlord who is resident overseas for a period of more than 6 months in any tax year, or you subsequently move abroad. If you fall into this category it is your responsibility to obtain a tax approval number from HMRC. The relevant form and guidance notes can be downloaded from [www.hmrc.gov.uk/cnr/nrlandlords.htm](http://www.hmrc.gov.uk/cnr/nrlandlords.htm). Until that approval number is given to us by the HMRC we are legally obliged to deduct tax from your rental income at the prevailing rate, which is currently 20%. This money is forwarded to HMRC on a quarterly basis.

If the Tenant pays you directly, you are non-resident in this country, and the Tenant has not received approval from HMRC to pay the rent gross, the Tenant must deduct tax and forward to HMRC on your behalf. No person or organisation is exempt from this scheme.

## **Rent Arrears or Breach of Contract**

7. It is your responsibility to take all necessary steps to ensure that actions are taken to protect your interests, including instructing solicitors and commencing legal proceedings to preserve your rights and recover arrears of Rent, and to defend all actions or other legal proceedings and arbitrations that may be brought against you in connection with the Property. All costs and disbursements incurred including legal costs and disbursements will be payable by you.
8. The Landlord accepts that Priory Estates is not liable for any damage, unless caused by agency staff, and that all expenses of the letting, agency commission and other agreed charges may be withheld/ drawn from any monies due to the Landlord who will, in the case of a shortfall, make good any balance due to Priory Estates immediately.

## **Reimbursement of the Agent**

9. You will keep us reimbursed and indemnified for and against any claim, damage, expense or liability, whether criminal or civil suffered by us from and during the time that we are or were acting on your behalf, unless it is due to our negligence or breach of contract. 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 a landlord. If any Notice is served on the Agent under the Housing Health and Safety Rating Scheme of the Housing Act 2004 requiring the Agent to carry out any work, repairs or maintenance of the Premises, the Landlord will reimburse the Agent promptly on demand for all costs expenses and fees incurred.

## Sub-Contractors

10. Any other party, including but not limited to, gas, electrical or water engineers, builders or surveyors, energy inspectors, or solicitors whom we instruct, will be instructed on your behalf. This means that you are the contracting party and that you have the liability for the payment of that sub-contractor's invoices, fees, charges or other expenses and that they, the contractors, owe you a liability for the quality of their work.

## Housing Act 2004

11. Due to this Act certain types of Premises may require a licence before they can be let. These properties are primarily House of Multiple Occupation ("HMO's") occupied by three or more people who are not related, but, in certain areas, licences can be required for non-HMO property. It is your responsibility to determine whether you need a property licence and to obtain a property licence. You agree to keep us fully indemnified against all losses, costs or damages we might incur, whether criminal or civil, due to your failure to obtain an adequate licence for the letting of your Premises. If we become aware that the Premises is let in a manner which requires a licence, and you refuse to obtain one, we reserve the right to terminate our instruction immediately, and to inform any Occupiers of the Premises and the Local Housing Authority of the situation.

Also, as part of the Housing Act 2004 private dwellings must comply with the Housing Health and Safety Rating System ("HHSRS") which is a means of measuring hazards and risk of injury at the Premises. This system applies to all properties but is most commonly applied to tenanted property. The responsibility for ensuring the Property complies is entirely yours, although we will of course give general best practice advice where possible. If we accept an **Instruction To Let** the Property and subsequently an order is served to comply with the HHSRS, or if we incur costs for compliance due to an order being served upon us, you agree to reimburse us within fourteen days of written demand, or by way of deduction from monies paid to us by the Occupier or from any other property owned by you, where we collect or hold sums on your behalf.

## Indemnity

12. If you ask us to do anything which we consider to involve a higher risk to us or to you, or which is outside our normal procedure we may ask you for a written agreement to indemnify us against any loss, damage or other costs which we might incur as a result of following your instructions. If you refuse to provide this then we reserve the right to refuse your instructions and to terminate this agreement.
13. If the Property is to be sold at the end of the tenancy, you will notify us of the fact not less than 2 months before the end of the Tenancy.
14. You acknowledge that where a rent-free period or subsidised rent is agreed with a Tenant, our charges remain the same during the affected period (as are set out in our **Scale of Charges**).
15. You agree to indemnify us against all reasonable costs, demands, expenses, liabilities and losses incurred by us in connection with the management of the Property including the cost of complying with any existing or future regulations affecting the letting of the Property and the cost of repairing and removing and replacing dangerous and/or defective equipment and/or furnishing with safe and compliant equipment and/or furnishings bearing legally prescribed labelling.
16. You acknowledge that we are not liable for any loss you incur unless it is due to our negligence or our breach of contract.



17. You warrant that all information we pass on to the ICE on their behalf is correct.
18. In the event that you provide incorrect information, knowingly or unknowingly, which causes us to suffer loss or cause legal proceedings to be taken, you agree to reimburse and compensate us on an indemnity basis for all and any losses suffered.
19. We should be informed immediately of any substantial change affecting the Property and/or our management of it.
20. If you are holding the Deposit, whether we received it from the Tenant or not, it will be your responsibility to ensure continued protection from time to time during the Tenancy. When a Tenancy is renewed, or a statutory periodic tenancy arises at the end of the initial fixed term, it will be your responsibility to re-serve the Prescribed Information on the Tenant and any Relevant Person unless you specifically ask us in writing to do so. You agree that you will indemnify us for any losses, claims, demands, expenses and liabilities that we suffer as a result of you failing to keep the Deposit properly protected and the Prescribed Information served.

#### **SCHEDULE 4: DEPOSIT HANDLING (Agent to Hold through TDS)**

We will normally hold the Deposit unless specifically requested by the Landlord in writing to transfer it to him and this is documented in the Tenancy Agreement. If we are protecting the Deposit to comply with current legislation under the Housing Act 2004 we will register the Deposit within 30 days of the Tenancy commencing. If the Tenancy is outside the protection of the Housing Act 2004, we will pass it to the Landlord to hold it in a separate client account if requested in writing. If the Landlord protects the Deposit under another approved government scheme, it is the Landlord's responsibility to serve the Prescribed Information and the Terms and Conditions of the relevant scheme on the Tenant and to register and log the Deposit within thirty days of the Tenancy Commencing or the Deposit being taken whichever is the earlier and provide written proof to us of the protection.

#### **SCHEDULE 5: DEPOSIT HANDLING (Held by the Landlord)**

If the Landlord(s) decides to hold the Deposit you must specify to us at least seven days prior to the start of the Tenancy under which other Tenancy Deposit Protection Scheme the Deposit will be covered. We will transfer it to you within seven days of the Tenancy commencing. You must then register it with another Tenancy Protection Scheme within thirty days of the Tenancy commencing or the deposit being received, whichever is the earlier. If you fail to do so the Tenant can take legal action against you in the County Court. The Court will make an order stating that you must pay the Deposit back to the Tenant or lodge it with the custodial scheme which is known as the Deposit Protection Scheme. In addition, a further order will be made requiring you to pay compensation to the Tenant of an amount between one and three times the Deposit, the sum being up to the discretion of the judge. We have no liability for any loss suffered if you fail to comply with your obligations regarding the Deposit.

## SCHEDULE 6: SAFETY LEGISLATION

### The Furniture and Furnishing (Fire)(Safety)(Amendment) Regulations 1993

1. It is a criminal offence to let Premises with upholstered furniture or soft furnishings containing foams that cannot be proven to comply with the above Regulations. By signing the **Instruction To Let**, you give us authority to remove any item that does not have a fire label attached to it and charge for the removal and/or disposal of the item(s). This will be an additional charge – as per the contractor's invoice. The Regulations require that specified items must be match resistant, cigarette resistant and carry a permanent label.

### Electrical Equipment (Safety) Regulations 1994 and The Plug and Sockets (etc.) Safety Regulations 1994

2. You are responsible for providing instruction books for all items of electrical equipment and for ensuring that all electrical appliances within the premises comply with the above Regulations. You warrant that all appliances and equipment provided are operational and recently serviced prior to the commencement of the Tenancy. You should also ensure that all electrical installations are safe and have them checked regularly. If we need to arrange for a safety check under these Regulations, then this will be subject to an additional charge – as per the contractor's invoice.

### Part "P" Building Regulations (Electrical Safety in Dwellings)

3. To ensure compliance with these Regulations we will only use a competent person to carry out electrical work at the Premises. If the Landlord wishes to use his own contractor, we will need written proof that he is currently registered with an approved self-certification scheme before issuing instructions. In the absence of such proof we will instruct our own contractor if managing the property and this will be subject to an additional charge – as per the contractor's invoice.

### Gas Safety (Installation and Use) Regulations 1998

4. It is a criminal offence to let Premises with gas appliances, installations and pipe-work that have not been checked by a Gas Safe Registered Engineer. You will need to provide us with a copy of the Gas Safety Certificate (GSC) carried out no more than twelve months previously. If this GSC is not sent to us when you return the signed **Instruction To Let**, then you give us authority to arrange for a gas safety check. The GSC will need to be renewed at twelve monthly intervals. If we are managing the Property, we will arrange for a new GSC automatically at your expense if you do not provide us with a new one at least 5 working days before the existing one expires. If we arrange for a GSC, then this is subject to an additional charge – as per the contractor's invoice. We need to give your Tenant documentary proof of your compliance with these Regulations at the commencement of the Tenancy and within twenty-eight days of the GSC being renewed. If you use your own contractor, we will need proof of their Gas Safe registration. No Tenancy can commence until we are in receipt of a valid GSC. If we are not managing the Property it is a legal responsibility of the Landlord to arrange for a gas safety check and for a copy of the GSC being given to the Tenant annually. We have no liability if the Landlord fails to comply with Regulations. We can arrange a GSC if requested, and should this be instructed then this is subject to an additional charge – as per the contractor's invoice.

## **Smoke Alarms and Carbon Monoxide Alarms**

5. Under current legislation being the Building Regulations 1991, it is the law that all newly built premises from June 1992 must have mains fitted smoke alarms and battery backup. All other Premises have to have a working smoke alarm on every floor, which have to be tested on the day that the Tenant moves in. It is not the law that Carbon Monoxide Detectors are fitted, unless it is a requirement in order for the Landlord Gas Safety Inspection to pass. However, it is the Gas Safe recommendation that all Premises with gas installations are fitted with one, to protect the Occupier and help prevent any legal action being taken against a landlord. If you wish us to arrange the fitting of alarms at your expense you must advise us in writing.

## **Energy Performance Certificate (“EPC”)**

6. With effect from 1 April 2018 there is a legal requirement for all rented properties in the private rented sector to have a minimum energy performance rating of E on an Energy Performance Certificate (EPC) unless there is an applicable exemption. A copy must be given to the Tenant with written details or prior to the first viewing and all marketing material must have the rating shown. The Landlord must provide us with an EPC when first giving instructions or supply details of the exemption for us to check on the register. The Property cannot be marketed without an EPC as the first page must be provided to the applicant with written instructions. A fixed penalty for every property marketed without an EPC may be imposed by the Trading Standards Officer. We can arrange an EPC and should this be instructed then this is subject to an additional charge – as per the contractor’s invoice.

## **Legionnaire’s Disease**

7. In order to comply with the Health & Safety Executive’s Code of Practice Landlords are strongly advised to carry out a risk assessment at their property prior to letting, especially if there are open water tanks, cooling systems or a swimming pool. We request that a copy of any written risk assessment is provided upon instruction. By signing the **Instruction To Let**, the Landlord acknowledges his responsibility for the safety of the tenant at the Property and confirms he has considered all risk regarding Legionnaires Disease.

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