



Ross & Liddell Residential Lettings
Terms of Business
Fully Managed

1.0 Management Fees and Expenses:

- We charge a monthly management fee of **11.5% (plus V.A.T)** per calendar month whilst the property is let.
- We charge an initial set up cost of **£275.00 (plus V.A.T)** which will be deducted from the first months rent, to cover the following costs:
 - Advertising in our property listings
 - Website advertising
 - To-Let board or Poster
 - Accompanied viewings
 - Tenant referencing
 - Preparation of a detailed Inventory & Condition Report
 - Serving of Statutory Notices prior to letting
 - Preparation of Tenancy agreement
 - Checking in the Tenant to the property
 - Advising the utilities & Council Tax office of a tenant moving in/out
 - Checking out the property
 - Regular property inspections
- For all subsequent tenancies, we charge a fee of **£175.00 (plus V.A.T)** which covers the costs detailed above.
- For all subsequent tenancy extensions, we charge a fee of **£45 plus VAT.**
- From the 30th April 2006, all private landlords letting properties in Scotland must have applied for registration in the register of Landlords. Details can be found on the Executives website

www.landlordregistrationscotland.gov.uk



2.0 Pre-Letting Procedures

On receiving the signed Terms of Business and Property Details form we shall instigate the marketing of your property. At this stage you must have obtained the necessary consents to let.

We must be in possession of a valid Landlords Gas Safety Certificate and Electrical Safety Certificate. We can arrange for this to be carried out should not have valid certificates, the cost of this must be paid in advance and we require your written instructions on this matter.

As of 4th January 2009, all properties offered for let must hold an Energy Performance Certificate. Prior to marketing your property we can arrange for the property to be inspected by a qualified Surveyor, the cost of this shall be £60.00 plus VAT and we shall require funds in advance.

We will advertise your property within our weekly property listings, available at our offices in Paisley, Glasgow and Edinburgh. We will also advertise on the Ross & Liddell Website as well as on other sites.

Whilst the property is being advertised we will carryout a pre-inspection of the property in order to identify any repairs that need to be addressed by you before a tenant takes occupancy. This is in accordance with the Housing (Scotland) Act 2006.

3.0 Inventory and Statement of Condition

We shall prepare a detailed Inventory of your house contents, and prepare a full Statement of Condition, both internal and external. Unfurnished houses will also have an inventory taken as carpets, curtains, light fittings, shades and white goods are generally left in unfurnished properties. We shall also carry out a full inspection of the garden, if applicable, with a view to assessing future maintenance.

Should you wish us, in your absence, to supervise the re-furnishing of your property, or assist in making it suitable for letting, we shall be pleased to carry out this service, our fee for which is 10% of the cost, plus V.A.T. Items of a personal or sentimental nature should not be left.

4.0 Viewings

All viewings are conducted by a member of our Residential Letting Department. At no time are keys given to prospective tenants.



5.0 References and Credit Searching

On receipt of the tenant's application, we will proceed to establish their financial and employment background, by using a referencing company such as Letsure. A full credit search will also be carried out.

You may wish to take advantage of the Homelet Referencing Service, Landlord's Rent Guarantee and Legal Expenses, in the event of the tenant defaulting, further details can be provided on request.

6.0 Tenancy Agreement

We will prepare the tenancy agreement and all relative notices for the tenant signs prior to them taking occupancy.

7.0 Entry and Exit Procedures and Notification to Public Utilities

On the date of entry, we will meet the tenant at your property. The Form AT5 Notice is served, the tenancy agreement signed and witnessed, the inventory of house furnishings and the Statement of Condition are meticulously checked, and both documents are signed by both the tenant and the Ross & Liddell representative. Meter readings of gas and electricity are agreed, and passed to the relevant utility company along with the incoming tenants details.

The same procedure is followed on the tenant's date of exit. Any defects or damages to the house, or its contents, are duly noted on that day, and appropriate deductions shall be made from the tenants deposit. A full report shall be given to you, notifying you of the condition of the property and any recommendations we may have for upgrading .

On completion of all of the above, we will advise the public utilities and the Council Tax Office of the change of tenancy.

With regard to the telephone, we would recommend that your account is closed prior to the tenancy commencing. As a third party, it is out with our remit to have any dealings with the telephone line. It is the tenants responsibility to close the account on termination of the tenancy agreement

8.0 Accounting Procedures

Rental Payments.

On the date of entry, the tenant will pay the first months rent (this may be apportioned, depending on the date of entry), plus the deposit. The rent will be paid to you on a monthly basis, and each payment, after deduction of our Management Fee, and any expenditure, shall be lodged with your Bank or Building Society, around the 20th day of each month. Interim payments following late rental payments, will only be made by request. The initial setting up fee of £275.00, our Management Fee, Advertising expenses, if any, all plus V.A.T., shall be deducted from the first



months rent. A detailed statement of rental income and expenditure shall be sent to you each month.

Rent Arrears.

The monthly rent is payable on the 1st day of every month. In the event of late payment, our arrears procedures will be put in place. Letters are sent to the tenants at 7, 14 and 21 day intervals. We will make every attempt to contact the tenant, but if the tenant remains in arrears at 21 days we will contact you for your instructions on whether to instigate legal proceedings. We will only advise you at 21 days of any problem with rental arrears, as in the meantime we are doing our best to recover the arrear. The procedures for recovery of arrears of rent and eviction, are clearly laid down in the Housing (Scotland) Act 1988, further details of which shall be given on request.

Deposit.

The tenant is required to pay, on entry, a minimum of one months rent as deposit which shall be retained by ourselves, until the end of the tenancy, and will not be returned to the tenant until we are completely satisfied that the house has been given up in a satisfactory condition, and that all accounts for gas, electricity and council tax are paid. Should any damages/dilapidations or cleaning be noted, we shall have these attended to and the cost deducted from the tenants deposit

Management float

We shall retain from the first rental payment received a management float of £100 in order that any invoices received can be settled. This float is refundable at the termination of our management services.

Client money

All monies will be held in a clients' account. As the amounts held generally are for short periods of time and of a nominal nature, no interest will be payable.

9.0 Inspections

Your property will be inspected at the commencement and termination of the tenancy, and during the course of the tenancy, on a four monthly basis. This will include inspection of the garden and exterior of your property. The quarterly inspections are a visual inspection only and therefore we cannot guarantee that the property is in the same condition as that of the Inventory taken prior to the tenant moving in.

During the winter months, we can arrange for the draining down of the system, or arrange to have the central heating turned on at frost. This will involve using a plumbing contractor and will be charged to the landlord.

10.0 Notification of Repairs.

We will initiate repairs on your behalf up to the cost of £150.00 without prior authorisation. In the event of a repair or defect, we will contact the relevant tradesman on your behalf and duly update you on the course of action in due course. Tradesman's invoices shall be processed for payment by ourselves, and deducted on your rental statement.



Should your property be managed by another Management Company then we will liaise with them in respect of any repairs of a communal nature, and arrange for payment of any common charges accounts to be paid from your rental income.

11.0 Insurance – Landlord’s Protection

Please ensure that you have informed your Buildings and Contents Insurers that your property is being let. This may jeopardise any potential claim, should the insurers be unaware that a tenant is occupying your property. As Insurance Agents, we can arrange Insurance Cover while your property is let. This will include, Buildings, Contents, Landlord’s Protection cover, which includes Rent Guarantee and Legal Expenses, in the case of a tenant defaulting. Details on request. We are authorised and regulated by the Financial Services Authority in respect of insurance mediation activities only.

Should an insurance claim require to be intimated we shall, on your behalf, liaise with your insurers to have the work completed and checked by our Property Inspector prior to finalisation of the claim. If your insurance is not through Ross & Liddell Ltd. our fee for providing this service is 10% of the total invoice.

12.0 Tax/Overseas Landlord

It is your responsibility to complete your annual tax returned.

For overseas landlords, we will inform the Inland Revenue quarterly and annually of your rental income. It is your responsibility to apply for and inform us, of your approval number. Without an approval number, we will deduct tax at 20% until an approval number is provided.

13.0 Termination of Agreement

Should you wish to terminate the use of our services prior to the property being let a fee shall be chargeable, to cover advertising and any expenses incurred.

Should you wish to terminate the use of our services whilst a tenant sourced by Ross & Liddell Ltd remains in the property, fees remain due until such date as the tenant vacates.

Selling to the tenant

Should a sale be agreed between you and a tenant sourced by Ross & Liddell Ltd. A fee of 1% of the sale price shall be payable by you to Ross & Liddell Ltd.

14.0 Current Legislation

Energy Performance of Building Directive

Amendments to EU law under the Energy Performance of Buildings Directive require all domestic properties being offered for rent from 4th January 2009 onwards



require to have an Energy Performance Certificate (EPC) showing the energy efficiency of the building. The certificate is valid for 10 years and must be carried out by a qualified Surveyor.

Housing (Scotland) Act 1988.

Your property shall be let in accordance with this Act and all Leases and Notices are prepared as laid down under the terms of this Act.

Fire & Furnishings (Fire) (Safety) Regulations 1988 (as amended in 1989)

We are required to draw your attention to the above named Act and to point out that under the provisions contained in the Act, you as Landlord are responsible for ensuring that all upholstered articles (i.e. beds, settees, armchairs, beds, mattresses, pillows, cushions etc.) must have fire resistant filling material

The Gas Safety (Installation & Use) Regulations 1996

This Act places duties on gas consumers, installers, suppliers, and Landlords. By law, all Landlords are responsible for making sure that appliances are maintained in good order and checked for safety at least every twelve months. The tenant, in rented accommodation, can ask for written proof, and the Landlord is legally obliged to keep a record of the safety checks and to show this to the tenant. All firms which carry out this work must be registered with C.O.R.G.I. (The Council for Registered Gas Installers).

The Electrical Equipment (Safety) Regulations 1994 & The Plugs & Sockets etc. (Safety) Regulations 1994

The regulations require that all electrical equipment must be safe. It is important that the fixed electrical installation (i.e. the mains wiring) and any supplied appliances and other equipment are safe, and tested by a qualified electrical engineer. Unlike the Gas Safety Regulations, there is no statutory annual testing interval, however, it is recommended that all appliances and fixed installations are tested prior to the initial letting, and annually thereafter. The electrical checks will be carried out by electrical contractors who are registered with NICEIC.

Ross & Liddell Ltd. shall, on your behalf, ensure that all safety checks are carried out annually. Unless we have written instructions to the contrary we shall automatically instruct the necessary checks annually.





We,, grant Ross & Liddell Limited, sole letting rights in connection with our property situated at and agree the terms, as laid out in the attached Terms of Business.

We confirm that we shall make payment of their fee, expenses and outlays out of the first month's rental income. In the event that the letting does not proceed, then we undertake to pay all costs incurred by Ross & Liddell Limited on cancellation of this agreement.

This agreement is subject to the terms of The Cancellation of Contracts made in a Consumer's Home or Place of Work etc Regulations 2008.

SIGNATURE:

ADDRESS :

DATE :

SIGNATURE:

ADDRESS :

DATE :

