

Terms of Business

This agreement acts as your instructions to us as your agent to work for you. Please read this document carefully and retain a copy for your records. Please be aware that this is a legally binding document. Once you have signed it you will be bound to the terms and conditions overleaf. Should you have any questions please feel free to contact us or seek independent advice.

At **Merlin Cooper**, we aim to provide our Landlords exceptional services by tailoring our services to suit their needs and budget. If anything was agreed specially with any of our consultants outside this agreement, please outline in the box below for clarity.

Property Address: _____

Amendments countersigned by **Merlin Cooper** authorised representative: Signed: Dated:

Please provide us with your contact details noting your tax obligations if you are overseas (see 7.0 overleaf):

Landlord Full Names: _____

Home Address & Postcode: _____

Email: _____ Telephone: _____

Landlord Bank Details	Bank Name	Bank Address
Account Name	Account Number	Sort Code

As part of our Money Laundering Regulations Compliance we are asked to obtain Photo ID from our landlords. Please return yours via scan/email or good quality photo - this can be a driver's license or passport.

I _____ hereby agree to return a Photo ID to comply with the Money Laundering Regulations

I have read the terms and conditions (pages 1-4 inclusive) and agree to pay **Merlin Cooper** for the services asked for above and any subsequent services provided under the terms of this agreement, including fees due for tenancies longer than the initial term. I understand that monies due will only be paid after the tenancy has commenced and not before. If I withdraw from an agreed offer or let to tenant/tenants we introduce to the property, I understand that the fees agreed under this contract and tenancy are payable in full within 14 days of withdrawal or letting the property. All charges are subject to Vat.

Signed:

Dated:

1. Under the following terms “we” will refer to the agency known as **Merlin Cooper** limited and “you” will refer to the landlord customer.

2. By signing this agreement, you acknowledge that you:

2.1. Have obtained all the necessary consents required to let your property.

2.2. Are acting on behalf and in conjunction with any other interested parties such as co-owners.

2.3. Agree to hold adequate building insurance for the property.

2.4. Understand you are still responsible for service charges and ground rents if applicable

2.5. Have made adequate arrangements relating to the tenant’s Deposit via www.mydeposits.co.uk, www.depositprotection.com or have us do this for you. **Merlin Cooper** accepts no liability for the landlord’s failure to comply with the regulations as laid out in the Housing Act (2004). Attention is drawn to the landlord’s penalties for non-compliance which can be found here: www.legislation.gov.uk/ukpga/2004/34/section/214

2.6. Understand that should legal action have to be taken against the tenant(s) that this is your responsibility. Although we can give you advice and recommend suitable legal representation we cannot act on your behalf on this matter.

3.0 You may give us notice to cease this agreement by serving us notice in writing. If we have not yet let your property and we are currently marketing your property a notice period of 1 week will apply. If we have placed tenants in the property, we would require 2 months’ notice in writing to arrange for funds to be transferred directly from the tenants to yourself and also to arrange for an addendum to the tenancy to indicate the tenants are to pay rents directly to you in the future (and contact you for maintenance issues if the property was previously managed by us).

4.1 Rates are calculated as a percentage of the rent achieved under the term (length) of the tenancy that is signed with the tenants. 12% + Vat for Let-Only, 13% for Rent Collection and 19% for Full Management. The rates for Short Lets are 15% for Let- Only and 25%+VAT for Full Management.

4.2 Should the tenants stay beyond the initially agreed term; it is standard that the 2nd year is 1% less than the agreed fee for first year and it reduces by another 1% for every year that the tenant/tenants remains in the property. Please note that renewal commission is due when at least one of the tenants introduced by us (or subsequent replacement tenants) remains in situ, or if these tenants have replaced themselves on the agreement using our Replacement Service or otherwise. Under our Let Only service this fee remains due even if you have given us notice not to subsequently act on your behalf in the future. The term of the renewal shall be assumed to be for 12 months at the historic rent unless we are otherwise notified. This is subject to a pro-rata refund should the tenants exercise the break clause. We will send you an invoice upon establishing a renewal and is due within 7 days of the invoice date. Sadly, more and more of our time is taken to chase late payments so to cover our costs should the renewal fee not be paid within 21 days we reserve the right to charge £350 to cover the time involved in collecting. If further investigation is required to establish a renewal fee is due we reserve the right to charge this to you for this; namely

Establishing a renewal has taken place when previously advised it hasn’t and so forth.

5.0 Please note that unless instructed otherwise in writing we shall remarket your property for new tenants as soon as practically possible when notice is received from the tenants that they will be vacating. This ensures that we minimise your void period as much as possible. We will remarket the property and find new tenants and continue acting on your behalf under the same agreement, under the same terms unless a new agreement is signed. Where we write to you to confirm a renewal or a re-letting, we will remarket the property 6 weeks in advance unless we hear from you that you are renewing with the existing tenants to minimise any void period for you.

6.1 Additional services

6.2 **Inventory & Check-in report.** It is recommended that a landlord commissions an independent report to make a written record of the property’s condition. Failure to commission an inventory/check-in and a check-out report will disadvantage you in any dispute over deposit returns and will likely result in a victory for the tenants if no proper documentation is made. Please see overleaf for a full price schedule. Please note a full check-in and inventory is compulsory if we are holding the deposit. Cost is £160 + Vat for a 1 bed flat and £20 for every additional room and bathroom.

6.3 **Gas Safety Certificate.** Under the Gas Safety (Regulations and Use) Act 1988 it is a legal requirement for any landlord to commission an annual Gas Safety Certificate for all gas appliances within a rented property. We can organise this for the landlord at a cost of £100. Should we not receive one 7 days in advance of the tenancy commencing we reserve the right to instruct our contractor to carry one out in order to comply with the Gas Safety (Installation and Use) Regulations 1988 and charge you accordingly.

6.4 **Legionnaire’s Disease risk assessment** - Legionella bacteria can multiply in hot or cold-water systems and storage tanks in residential properties, and then be spread, e.g. in spray from showers and taps. Although the generally high throughput and relatively low volume of water held in smaller water systems reduces the likelihood of the bacteria reaching dangerous concentrations, you must still carry out a risk assessment to identify and assess potential sources of exposure. You must then introduce a course of action to prevent or control any risk you have identified. We can carry out a risk assessment through an approved contractor for £169. If you do not opt for this service, you hereby indemnify Merlin Cooper against any claim arising from the tenant from any loss or damages.

6.5 **Tenancy agreement.** Tenancy laws change frequently, and it is important that a good written agreement exists between the tenant and the landlord. It is crucial that a tenancy does not include any clause that could be deemed unfair by the courts should a dispute arise. We can draw up a tenancy agreement for you and sign this on your behalf at no cost. If you want to provide your own, please ensure this is with us at the point of returning your signed Letting Service Agreement. If your tenancy is not with us we will be unable to send it to the tenants, in which case we are left with no option but to prepare one for you and charge you for this service. Cost to prepare a tenancy agreement is £130 + Vat and to execute a tenancy agreement is £50 + Vat. If we are using our tenancy agreement, we charge £130 + Vat to prepare and execute both agreements. A guarantor covenant is £40 + Vat to prepare and execute for each guarantor.

I have read the terms and conditions (pages 1-4 inclusive) and agree to pay Merlin Cooper for the services asked for above and any subsequent services provided under the terms of this agreement, including fees due for tenancies longer than the initial term. I understand that monies due will only be paid after the tenancy has commenced and not before. If I withdraw from an agreed offer or let to tenant/tenants we introduce to the property, I understand that the fees agreed under this contract and t e n a n c y are payable in full within 14 days of withdrawal or letting the property. All charges are subject to Vat.

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6.6 **Energy Performance Certificate.** Any property being marketed for sale or to let in England and Wales must have an Energy Performance Certificate. Tenants must be provided with a copy of this prior to the signing of a tenancy agreement. We can provide you with an EPC which lasts for 10 years at a cost of £85. For more information, please refer to www.direct.gov.uk/epc. Should we not receive one 7 days in advance of the tenancy commencing we reserve the right to instruct our contractor to carry one out in order to comply with legislation?

6.7 **Electrical Safety Regulations (EICR).** The regulations came into force on 1 June 2020, they apply to new tenancies from 1 July 2020 and existing tenancies from 1 April 2021. The cost varies depending on the number of rooms available. For more information, please refer to <https://www.gov.uk/government/publications/electrical-safety-standards-in-the-private-rented-sector-guidance-for-landlords-tenants-and-local-authorities/guide-for-landlords-electrical-safety-standards-in-the-private-rented-sector>

6.8 **Professional cleaning.** We are of the opinion that good quality Properties attract good quality tenants who in turn treat the property as a home. It is recommended that the landlord offer the property in a clean condition so that a) the property can be compared to this state during interim inspections and b) the property can be left in this condition when the tenants move out at the end of tenancy. Please ask for price if you are interested in taking out this service.

6.9 **Interim inspections.** It is recommended that throughout the tenancy regular inspections are made to ensure the tenants are treating the property as you would like. This also gives us an opportunity to make any recommendations regarding repairs and maintenance issues that could be arising, either naturally or due to tenant neglect. We can carry out quarterly inspections at a rate of £75 per inspection but this service is free under our full management service.

6.10 **Deposit holding service.** We can hold your deposit for you and register the deposit with DPS. There is an administration fee of £70. Please note that by opting for this service the Landlord gives Merlin Cooper the right to lodge any disputed deposit monies with the DPS Tenancy Deposit Protection Scheme if requested to do so by the Scheme without recourse to the (overseas) Landlord whose letting we have arranged/are managing. Please note a full check-in and inventory is strongly advised if we are holding the deposit. This is a compulsory service if we are managing the property.

6.11 **Section 8 or Section 21 Notices**

Cost of this is £180 + Vat

6.12 **Postal services**

All documents are to be emailed to the landlord as part of our green commitment, should the landlord request documents to be printed sent by post a fee of £55 + Vat would apply.

6.13 **Licensing application service fee**

This would cost the landlord £250+ Vat per licence

6.14 **Court appearances**

If we ever need to appear in court on behalf of a landlord, our fee would be £349 + Vat per appearance.

6.15 **Key Handover**

We would charge £55 + Vat to hand over keys to tenants.

6.16 **References**

If the service chosen by the landlord does not include full (credit checks, employer and landlord referencing. Right to rent checks tenant and guarantor referencing), we can organise this for the

landlord and cost is £50 + Vat for the first four applicant and £40 + Vat for any additional applicant.

7.0 **Overseas landlords.** If you are overseas you may or may not be liable for tax due on your rental income. Letting agents are obliged to deduct tax at source (currently 20%) and transfer this quarterly to HMRC. If you are exempt however we must receive written confirmation of this from HMRC. To ensure we do not deduct tax if you are based overseas please complete an NRL-1 form available at <http://www.hmrc.gov.uk/cnr/nrl1.pdf>. If you are not exempt and we have to transfer funds to HMRC we will charge £75 per quarter, or a one-off charge of £75 if you are using our Let- only service. We reserve the right to charge this in any instance where you reside abroad and HMRC has not informed us in writing that you are exempt from tax by the start date of the new tenancy.

8.1 **Let-Only.**

8.2 Including clause 6.15, 6.16,6.5

8.3 Under this service we will market your property using all available resource. This includes website marketing, erecting a board and communicating with our existing pool of applicants through e-mail, SMS and telephone marketing and taking of professional photographs when possible. Once the property is let, we will advertise the property as let on our online and offline communication including a "let by" board.

8.4 Once a tenant is found we will inform you of their offer and should a let be agreed we will take up references from the applicants. These may include but are not limited to: employer's reference, 6 months' worth of bank statements, photo ID including work permit/visa if applicable and proof of address along with landlord reference where possible.

8.5 We will arrange for any additional services requested by you to ensure your landlord obligations are met and charge you at the prevailing rate.

8.6 We will sign the tenancy agreement on your behalf if we are asked to prepare a tenancy agreement. You will be responsible for signing if you are providing your own agreement. We will release keys to tenants for the move-in.

8.7 We will give the tenants your bank details, and where appropriate give the tenants standing orders to post to their bank to ensure the rent is paid to you monthly. *Please note that due to data protection we cannot check that the banks have processed this and it remains the tenants' responsibility to pay the rent on time to you.*

Rent Collection 9.1 Including clauses 8.1-8.7

9.2 We ask tenants to make the rental payments in advance of the rent being due to allow enough time for interbank transfers to complete. This is however not always possible, so it is recommended to allow extra time between the rent due date and any outgoing payments, i.e. mortgage.

9.3 We will make every endeavour to (by using reasonably practical methods) collect rents due to you. This may include phone calls, property visits, written demands for rent and if need be a landlord and tenant meeting to discuss the arrears.

9.4 If the tenants are unable to complete their contractual obligation to pay rent it may be necessary to obtain an order for possession should they not wish to surrender their tenancy. In practice this is rarely necessary, but we will be able to advise you on this process and assist you as much as practically possible.

9.5 Any fees outstanding to us must be paid in full by the landlord should the tenant's default and we are unable to collect our fee from the tenants' rental payments.

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9.6 Monthly statements are emailed to you showing rent received etc. If we provide a second copy of a statement of account, a fee of £45 +Vat per statement would apply.

10.1 Full Management

10.2 Including clause 6.9,8.1, 9.1 and its subsections above.

10.3 When a repair is reported we will endeavour to assess it in the shortest timescale possible. If the repair is likely going to cost in excess of £250, we will obtain at least two quotations to ensure that we repair it for you at the lowest cost possible (of course without compromise to quality).

10.4 Merlin Cooper will act on repairs within the confines of the property we are managing, any works to the building (in the case of apartments) or communal areas would fall under the remit of the Freeholder/Managing Agent.

10.5 We will not pay utilities, service charges, insurances, ground rents and similar on your behalf

10.6 Please note that our contractors might pay us a referral fee, for works carried out for our clients. Full statement would be made available on demand.

10.7 Tenants will be able to report repairs and maintenance issues to us and will not have your contact details. We aim for our management service to give you a "hands-off" letting experience.

10.8 We will hold a float £250, taken at the start of the tenancy in order to accommodate any immediate repairs that are required. This is refunded at the end of the tenancy should be unused.

11.1 When will you pay our fees?

11.2 Let-Only fees (12%+VAT on Long Let or 15%+VAT on Short Let) are paid in advance at the start of the tenancy for the length of the tenancy agreed to and signed. This is taken from the first month's rent and the deposit. The balance is then transferred.

11.3 Rent Collection fees are paid in months 1 and 2 for the duration of the tenancy. The amount due to us over and above the Let- Only fees taken in month 1 will be charged in month 2.

11.4 Management fees are paid in months 1, 2 for the duration of the tenancy. If the amount due to us is over the rent taken in month 1, the balance will be charged in months 2 and 3 (50/50).

11.5 Upon acceptance of an offer, we will be happy to present you with a personalised financial illustration. Please note that you will be liable for the agreed fee from the moment this agreement is signed. If you withdraw from an agreed offer the fees agreed under this contract or other communication are payable in full within 14 days of withdrawal.

12.1 What if the tenants move out early?

12.2 If the tenants move out earlier than the expiration of the tenancy due to their exercise of the break clause, we will refund your fees that you have paid by offsetting them against the costs of the next letting or sales transaction with the company.

12.3 Should another agent or you re-let your property as a result of our inability to re-let, your credit would be refunded to you. But we require 6 weeks sole agency to try and re-let the property.

12.4 If in the unfortunate case the tenant's have absconded the landlord is to compensate their lost letting fees as a cost from the tenants' deposit. Please contact us should you require assistance in calculating these costs.

13.1 Rent Protection & Legal Expenses Warranty

13.2 If enrolled in the Rental Warranty product the Landlord will benefit from payment of rent if the tenant's default on their payments. Legal costs are covered up to £50,00

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