

MANAGEMENT AGREEMENT

Landlord's Agreement

THIS AGREEMENT is made the 15 day of March 2017 BETWEEN XXX ("the Landlord") and Runnymede Borough Council of Runnymede Civic Centre Station Road Addlestone Surrey KT15 2AH ("the Council")

WHEREAS:

- (1) Magna Carta Lettings is part of the Council and acts as managing agent to provide a property management service for the Council to landlords wishing to let out their property.
- (2) The Landlord's Property Registration Form has been completed and is attached
- (3) The following terms are agreed between the Council and the Landlord in consideration of the Landlord being accepted on the Council's AST Management Service

1. The Property

- 1.1 This Agreement shall relate to the letting of XXX ([together known as] the Property)

2. The Period

The period of two years [minimum of 2 years] from XXX ('the Period') and the Landlord agrees to the Council through its agency Magna Carta Lettings having sole management rights to the Property during the Period.

3. The Management Services

- 3.1 Initial Letting Sign Up Inventory and Renewals

Identify prospective tenants and carry all reasonable checks including an affordability check and interviewing them to ensure as far as possible that they are suitable tenants for the Property.

To prepare the Assured Shorthold Tenancy Agreement and hold a detailed sign up meeting to go through the tenancy conditions with the tenant.

Carry out a full property inspection and photographic condition and inventory check (Inventory Report) at the beginning and the end of the tenancy. The Inventory Report to include all carpets, curtains and other items in the property. Arrange for the Inventory Report to be signed by both the Landlord and the tenant.

Where the tenancy is renewed to the same tenant (or any person associated with the tenant) Magna Carta Lettings will prepare the new Assured Shorthold Tenancy Agreement.

3.2 Utility Services & Council Tax

Take meter readings whenever possible at each change of tenancy and where appropriate inform the utility companies (electricity, gas, water,) of the readings and advise them of the transfer of the service contracts to the tenant at the beginning of each tenancy. The Council shall not be responsible for payment of any costs arising from the tenant failing to pay any utility charges or Council Tax.

No monies are payable under the Bond for any costs that the Landlord may incur as a result of the Tenant failing to pay gas, electricity, telephone and water charges or Council Tax nor in respect of fair wear and tear and all insured risks.

Liaise with Runnymede Borough Council Tax and Housing Benefit teams regarding occupancy of the Property.

3.3 Rent Collection

The Landlord agrees that the rent payable shall be no greater than the Local Housing Allowance rate for the area in which the Property is situated. Which for the Property will be £XXX (the Rent) dependent on the number of occupants.

Regularly collect the rent from the tenant and actively pursue outstanding rent.

3.4 Payment to the Landlord

Pay to the Landlord the Rent throughout the Period which will be made up of the first month and any remaining days in the following month and then monthly payment less any agreed expenses due or incurred. Payments will be made by BACS into the Landlord's bank within 10 working days following the first date of the month. A detailed rent and expenses statement will be sent to the Landlord by e-mail every month.

3.5 Inspections and Sustainment Visits

Regular visits to the Property and inspections will be carried out to ensure that the tenant is conducting the tenancy in a satisfactory manner and that the Property is in an acceptable condition.

Advice and assistance to the tenant regarding payment of the rent.

Management of the Property if it becomes empty between lettings.

3.6 Maintenance and Repairs

Report all repair and maintenance issues to the Landlord and assist the Landlord in arranging for the repairs to be carried out. The Landlord shall authorise and be responsible for the cost and expenses of any repairs or maintenance including any due to the tenant or any third party fault

Carry out minor repairs up to the maximum value of £250 per annum. For the avoidance of doubt, the Landlord is responsible for the costs and expenses of any repairs replacement or maintenance above £250 per annum.

If emergency repairs in cases such as full heating and hot water loss, full power loss, or burst water pipes with water flowing or blocked pipes are required, Magna Carta Lettings are authorised to carry out the works using a reputable and competitive contractor and to deduct the costs and expenses from any payment due to the Landlord.

The Council shall not be liable for any repairs replacement or maintenance which are due to the tenant's default or negligence or for any costs or expenses relating to such repairs replacement or maintenance.

In the case of non- emergency repairs Magna Carta Lettings will contact the Landlord detailing the repair required and seek the Landlord's authority to proceed with the repair at the Landlord's cost.. If the Landlord does not respond within fourteen (14) days of such contact Magna Carta Lettings is authorised by the Landlord to carry out the repair and to deduct the cost from the Rent

For the avoidance of doubt the Landlord may be charged for the visit of a contractor even if the works do not proceed.

3.7 Legal Proceedings

The Landlord hereby authorises the Council to act on the Landlord's behalf in commencing and prosecuting any legal proceedings in connection with seeking possession of the Property, or claiming rent arrears, or damages in any non rent arrears case.

Any such proceedings shall be in the Landlord's name and the Landlord undertakes to diligently and in a timely way deal with all the requirements of the Court and the Council including attendance at any hearings or meetings.

Prior to issuing any legal proceedings, the Council shall submit to the Landlord a written report setting out all the relevant circumstances and the Council's reasons for considering it reasonable to take such legal action.

Within 3 working days of receipt of the written report the Landlord shall inform the Council in writing that either (1) the Landlord agrees to the proposed commencement of legal proceedings and to the Council conducting such legal proceedings; or (2) the Landlord does not agree to the commencement of legal proceedings and does not wish the Council to take action; or (3) the Landlord agrees the proposed commencement of legal proceedings and informs the Council that the Landlord will conduct the proceedings.

If no response is received from the Landlord within the 3 working day period then the Landlord will be deemed to have agreed to the proposed legal proceedings being commenced and conducted by the Council.

Should the Landlord respond that the Landlord will be conducting the legal proceedings or that legal proceeding should not be commenced, then within 5 working days the Council may serve a notice on the Landlord stating that the Council no longer wishes the Property to be a managed property and with effect from the expiry of the notice, the Council will no longer offer the management services and this agreement will terminate.

In all cases the Landlord will pay the Council's costs and expenses and shall indemnify the Council against all costs, claims, expenses, damages and liability arising from or relating to any court proceedings conducted by the Council in the name of the Landlord. All such monies may in the first instance be deducted from any payments due to the Landlord.

The Council shall keep the Landlord informed of the progress of any court proceedings and shall provide the Landlord with such information and copy documentation as the Landlord shall reasonably and properly require.

The Council will conduct all court proceedings in a diligent and professional manner. If the Landlord conducts the legal proceedings the Landlord shall keep Magna Carta Lettings informed of the progress of such legal proceedings and shall provide Magna Carta Lettings with such information and copy documentation as Magna Carta Lettings shall require. Any monies recovered from the tenant by the Landlord in respect of rent arrears or other monies owed to Council shall be due and payable to the Council within 5 working days of receipt or may be offset against any monies due from Council to the Landlord

3.8 Keys

The Landlord shall supply to the Council 1 copies of the keys (if applicable) to all the doors to the Property; any keys to the windows and keys to any garages or sheds at the Property that will be used by the Tenant.

4. The Bond

- 4.1 The Council guarantees payment to the Landlord of such sums payable in accordance with this Agreement (the Bond)

- 4.2 The maximum financial protection provided to the Landlord (the Maximum Amount Payable) is not to exceed **One Thousand and Five Hundred Pounds (£1,500)** at the date this agreement is signed. The Bond is provided against any uninsurable loss or damage for which the tenant of the Property is responsible and which occurs in rooms exclusively occupied by the Tenant. The Bond does not apply to communal areas in the Property. For the avoidance of doubt, whether or not the sum due in respect of damage exceeds the Maximum Amount Payable, the Council will only pay the Maximum Amount Payable. The Landlord must pursue the tenant directly for amounts recoverable in excess of the Maximum Amount Payable.
- 4.3 The Maximum Amount Payable will not be increased in accordance with any increases in rent, which may take place after the tenancy has been entered into.
- 4.4 The Landlord may make a claim against the Bond if damage is caused to the Property and/or the contents in the Property, as a result of tenant's actions or those of visitors invited onto the Property by the Tenant, when the Council is satisfied that damage has been caused in these circumstances. Any claim made against the Bond shall be supported by valid receipts detailing the works done and items purchased and their costs
- 4.5 In deciding the level of any compensation payment to be made to the Landlord, in respect of replacement costs for items, the Council shall have regard to the age, nature and type of the item and its condition, at the start of the letting as shown in the Inventory Report and to the fair wear and tear guide.
- 4.6 It will be a condition of any claim made under the Bond as a result of damage to the Property, that an officer of the Council will have access to the Property to inspect the damage before the Landlord undertakes any repairs or associated works. For the avoidance of doubt if the Landlord carries out any works prior to the Council's inspection of the Property the Landlord shall lose any claim they may have under the Bond
- 4.7 Where the cost of repairing damage to the property is more than the Bond, the Landlord will have responsibility for recovering this money from the tenant.

- 4.8 The amount claimed under the Bond by the Landlord in circumstances where items are missing that were mentioned in the Inventory Report, will be agreed by the Council having regard to the age, nature and type of the missing item and its condition at the start of the letting as referred to in the Inventory Report and the fair wear and tear guide
- 4.9 The Landlord must notify the Council of the Landlord's intention to make a claim within **14 days** of the Council sending the check-out Inventory Report to the Landlord. No claim made after this period will be considered.
- 4.10 If the Council pays any money to the Landlord as a result of false or deliberately misleading information given by the Landlord, then the Landlord agrees to repay to the Council the full amount of the monies paid.

5. Landlord's Obligations

- 5.1 The Landlord confirms the following:

The Property complies with the Gas Safety (Installation and Use) Regulations 1998 and the certificate is displayed at the Property and a copy will be given to the Tenant and to the Council. The Landlord will renew the certificate each year.

Where the property is deemed to be in multiple occupation there is a means of escape in case of fire and other fire precautions are provided.

The Property when available is in good and tenantable repair and is satisfactory to the Council as evidenced by the Inventory Report.

All soft furnishings in the Property comply with current safety regulations including the Fire and Furnishings (Fire) (Safety) (Amendment) Regulations 1993. All non compliant items shall be removed from the Property prior to letting

All the necessary and appropriate tests in respect of any appliances within the Property have been carried out and copies of all certificates guarantees and test reports and recommendations will be provided to Magna Carta Lettings

The Property complies with current health and safety requirements.

The Property is fitted with smoke alarms and carbon monoxide alarms as legally required, ideally hard wired.

All electrical installations and appliances have been PAT tested and inspected by a Napit Approved Operative and comply with Electrical Equipment (Safety) Regulations 1994 and The Plug & Socket etc (Safety) Regulations 1994 and are in safe and reasonable repair and the certificate, an Electrical Installation Condition Report and all records are available to Magna Carta Lettings for inspection.

The Legionnaire risk assessment has been provided to Magna Carta Lettings prior to the date of this agreement.

The Property has an Energy Performance Certificate and copy has been given to the tenant and the Council

Control of Asbestos Regulations 2012: Regulations relating to Asbestos in respect of Communal Areas in Private Rented Accommodation

It is the legal responsibility of the landlord or the property management company to undertake a risk assessment and Asbestos report confirming the status of the building for any property that includes non-domestic communal areas. This report should be available on request. Runnymede Borough Council has no responsibility to provide or liability for the outcome of such report.

If further investigation is required following a contractor's risk assessment, it is the landlord's responsibility to provide an asbestos report on request.

- 5.2 The Landlord shall insure the Property and keep the Property insured throughout the Period and shall produce to Magna Carta Lettings prior to the letting a copy of the current buildings insurance policy and public liability policy certificate and throughout the Period a copy of any renewed certificate or new buildings insurance policy and all receipts for the premiums paid
- 5.3 (1) The Landlord shall allow the tenant quiet enjoyment of the Property
- (2) The Landlord shall deal with repairs replacement and maintenance issues appropriately and in a timely manner

- (3) The Landlord shall pay all costs and expenses that exceed £250 per annum incurred in the repair and maintenance of the Property, its contents or the replacement of any items in the Property.

6. Review

It is agreed by the parties that this management agreement may be reviewed and updated to take account of changes in legislation or matters affecting either party.

7. Termination

Either party may terminate this agreement on two months prior notice in writing or one month's notice in writing if the tenant has the right to terminate the tenancy on one month's notice. If the Landlord terminates this agreement prior to the end of the Period, the Landlord shall pay to the Council 8% of the monthly rent [£96] for each month outstanding to the end of the Period.

On termination of this agreement the Council will account to the Landlord for any monies due less any monies due from the Landlord. The Council will return to the Landlord copies of all documents it has received from the Landlord.

The Bond will automatically be terminated on the termination of this agreement.

8. Notices

Any Notice under this Agreement shall be in writing and sent to:-

Landlord: XXX

Council : Runnymede Civic Centre Station Road Addlestone Surrey KT15 2AH

Marked for the attention of the Private Rented Sector Management Officer

SIGNED _____ DATE: _____
(the Landlord)

SIGNED _____ DATE _____
(for the Council)