

Property:                   Name  
Date:                        DD/MM/YYYY



# RESIDENTIAL LETTINGS TERMS OF ENGAGEMENT AND RECOMMENDATIONS

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Bidwells is a trading name of Bidwells LLP, a limited liability partnership, registered in England and Wales with number OC344553.  
Registered office: Bidwell House Trumpington Road Cambridge CB2 9LD. A list of members is available for inspection at the above address.  
Please ensure you're familiar with our Privacy Notice which is available here: [bidwells.co.uk/privacy](http://bidwells.co.uk/privacy)



## 1.0 Terms and Conditions

This document sets out the terms on which we accept instructions and charge for our services, as qualified in our letter of engagement. Our aim is to provide you with high quality professional services tailored to meet your requirements in a friendly and cost-effective manner, and to develop a close and long-term working relationship with you.

For all our services, Letting Only, Letting and Rent Accounting or our Full Letting and Management Service, the following services are provided: -

### Management Fees

#### 1.1 Initial Visit and Administration Fee

Our Letting Service will commence with an initial visit to view the property to agree a market rental value and to discuss the circumstances pertaining to the property and client. Unless otherwise stated, rents quoted to a tenant by us on your behalf are inclusive of ground rents and service charges.

There will be an initial administration fee of £150 Inc. VAT. This covers marketing, viewings, contract negotiations and initial tenancy set-up. This needs to be paid prior to advertising and upon signing our terms.

#### Our bank details are as follows:

Barclays Bank  
Sort Code: 20-17-68  
Account number: 20291684  
Swift: BARC GB 22  
IBAN: GB63 BARC 201719 20291684  
Payment Ref: (First line of property address)

#### 1.2 Energy Performance Certificate

It is mandatory to provide an Energy Performance Certificate (EPC) for all properties offered to let. If you require one, we would be happy to organise the assessment on your behalf, the cost of which is outlined on our fee sheet. If an EPC is already in place for the property, we can download it from the online EPC register.

Please note that with effect from 1 April 2018, new regulations came into force for both new lets and renewals of tenancies in the private rented sector for a minimum energy performance rating of E on an Energy Performance Certificate (EPC). For existing tenancies, the date of enforcement of the regulation is 1 April 2020. It will be unlawful to rent a property which breaches the requirement for a minimum E rating, unless there is an applicable exemption. A civil penalty of up to £4,000 may be imposed for those properties in breach of this requirement. If your property is found to have an energy performance rating of an F or a G, we will be unable to let it for you.

To arrange for an EPC (if applicable) to be carried out, there will be a cost of £85 Inc. VAT.

### 1.3 References

- We will carry out references, through an independent agency, for all prospective tenant(s)/companies, if applicable.
- The cost for the reference checks are as follows: -
- £100 Inc. VAT for 1 applicant (+ £25 Inc. VAT for each additional applicant). This will be deducted from the first months' rent statement.

### 1.4 References

An independent inventory clerk will prepare a schedule of condition of the property and its contents as necessary. The table below details the cost (which are inclusive of VAT) are as follows:

<b>Schedule of Condition Report</b>		
<b>VAT Included</b>	<b>Unfurnished</b>	<b>Furnished</b>
Studio	£114.00	£126.00
1 Bed	£126.00	£138.00
2 Bed	£150.00	£162.00
3 Bed	£174.00	£186.00
4 Bed	£204.00	£216.00
5 Bed	£234.00	£246.00
6 Bed +	To be advised	To be advised

The table below details the cost of the checkout (which are inclusive of VAT) which is carried out by an independent inventory clerk at the end of the tenancy.

<b>End of Tenancy Check-Out Report</b>		
<b>VAT Included</b>	<b>Unfurnished</b>	<b>Furnished</b>
Studio	£138.00	£156.00
1 Bed	£150.00	£168.00
2 Bed	£174.00	£198.00
3 Bed	£216.00	£252.00
4 Bed	£240.00	£276.00
5 Bed	£300.00	£348.00
6 Bed +	To be advised	To be advised

## **1.5 Tenancy Agreement**

Your property will be let either to an individual person(s) under an Assured Shorthold Tenancy Agreement or to a Company under a Company Let. If the monthly rent is in excess of £150,000 per annum we will draw up a tenancy in common law.

In the case of an Assured Shorthold Tenancy, notice to regain possession cannot be sought until six months after the start of the tenancy and can only be ended by two months prior written notice of the Landlord's intention to seek possession.

The cost of preparing the agreement is covered as part of the administration fee for the first let and then from the management fee thereafter unless the Landlord wants to use their own Solicitor. It will be the Landlord's responsibility to pay the costs of using his own Solicitor.

## **1.6 Signing of Tenancy Agreement**

We will arrange for the signing of the agreement and collecting the first instalment of rent together with the security deposit. The deposit is usually 5 weeks rent or 6 weeks rent if your annual rent is more than £50,000.

If you are in the United Kingdom the tenancy agreement can be signed by you and you must provide an address for service in the UK. If you are abroad at the time of signing the agreement, we must have your written authority to sign the agreement on your behalf.

## **1.7 Tenancy Deposit Scheme**

All tenancy deposits taken in connection with an Assured Shorthold Tenancy must be protected by law.

Bidwells LLP are members of The Tenancy Deposit Scheme, which is an insurance-based scheme run by an organisation called The Dispute Service. This service provides independent dispute resolution and complaints handling for the letting industry and is backed by ARLA, NAEA and RICS.

The deposit we receive on your behalf will be protected under The Deposit Scheme. Please note there is a charge for registering this deposit which is shown on our fee sheet.

The fee to register the deposit is £36 inc VAT. This shall be deducted from the 1<sup>st</sup> months' rent.

## **1.8 Tenancy Renewal Fee**

A fee of £75 Inc. VAT will apply for each tenancy extension. This needs to be paid at the time of the tenancy renewal.

## **2.0 Terms and Conditions**

This document sets out the terms on which we accept instructions and charge of our services, as qualified in our letter of engagement. Our aim is to provide you with high quality professional services tailored to meet your requirements in a friendly and cost-effective manner, and to develop a close and

long-term working relationship with you.

## **2.1 Letting and Rent Accounting**

We will collect rent and any other sums due in accordance with the terms of the agreement and pay accounts that are due for payment out of the rent collected by us.

## **2.2 Payments**

We will prepare a monthly rent account and forward this to you, with a copy to your accountant if instructed in writing. Monthly payments are paid into your bank account by standing order. No interest is earned on client rent accounts.

## **2.3 Client Monies**

We may, from time to time, hold money on your behalf. Such money will be held in trust in a client bank account, which is segregated from the firm's funds. The account will be operated, and all funds dealt with in accordance with the Clients' Money Regulations (Regulations) of the Royal Institution of Chartered Surveyors (RICS). A copy of the Regulations is available on request. Where funds are held in a discrete client account bank charges will be deducted from that account.

Funds will be held in the Bidwells LLP Residential Lets Client Account held at Barclays Bank, Cambridge.

## **2.4 Outgoings**

So long as we are in funds to do so, we will pay current outgoings such as repairs, utility charges including gas, electric and water and gardening costs. Service Charges and/or Ground Rent are a Landlord responsibility and must be billed and paid for directly by the Landlord. Insurance costs must also be paid for directly by the Landlord.

## **3.0 Full Letting and Management Service**

We will carry out all functions listed under the Letting and Rent Accounting Service and those listed below.

### **3.1 Tenancy Checks**

The first inspection will be carried out within three months of the tenancy start date. Thereafter, further inspections will be carried out bi-annually. If an emergency arises, we will act immediately upon notification of the problem. We will advise you of any matters arising during routine correspondence. You will appreciate that any such inspection can only extend to apparent and obvious defects and would not amount in any way to a structural survey of the property. We cannot accept responsibility for hidden or latent defects.

### **3.2 Maintenance**

As a Landlord you have a statutory responsibility for the upkeep of the structure of the property under Section 11 of the Landlord and Tenant Act 1985.

Without reference to you, we will arrange for any necessary repairs to be carried out, providing the cost does not exceed £250. We reserve the right to instigate repairs as we see fit. Should repairs exceed this amount then we will obtain your instructions prior to such works being carried out, unless the nature of the repair necessitates the work being carried out urgently. In the case that works that we have instructed exceed the cost of £1,000, we reserve the right to charge 10% of the invoiced amount for arranging these works.

All gas appliances must be tested for safety on an annual basis by British Gas or a Gas Safe registered engineer who will also undertake servicing. All appliances deemed unsafe will be dealt with immediately without reference to the Landlord. A NICEIC qualified electrician must also check the electrical systems and all free-standing electrical appliances will be PAT tested.

Bidwells LLP can suggest contractors for maintenance work but cannot be held responsible in the event of any dispute relating to work undertaken.

### **3.3 Renewal**

At least 10 weeks before the end of the tenancy the Landlord must inform us in writing if he wishes to regain possession of the house or renew the tenancy.

The cost for arranging the tenancy renewal is £75 Inc. VAT.

### **3.4 At the end of the Tenancy**

We will arrange for:

- The inventory to be checked with the outgoing tenant(s) by an independent inventory clerk.
- Deduct from the security deposit any charges for dilapidations, cleaning and rent arrears.
- Re-market the property, unless otherwise instructed.
- Landlords have two weeks from the End of Tenancy Inspection in which to make representation to Bidwells LLP in writing regarding dilapidations, after this period Bidwells LLP will be deemed to have the authority to settle any claim without further reference to the Landlord.

## **4.0 Letting Only Service**

We will collect the first month's rent and deposit, after this you will be responsible for the rent collection and management of the property.

There will be a fee of £75 Inc. VAT payable to Bidwells LLP, should you wish Bidwells LLP to extend the tenancy agreement for a further fixed term or periodic basis. (Under our Letting and Rent Accounting Service and Tenant Introduction Service, we will not inspect the property or deal with repairs and other matters concerning Landlord and tenant during the tenancy. Our Full Letting and Management Service incorporates this service.

## **5.0 General Points**

### **5.1 Commission Rates**

These are set out in our separate letter of advice.

All fees and expenses for services supplied in the UK are subject to VAT at the prevailing rate.

In the event of you instructing us to let the property but subsequently withdrawing that instruction or finding a tenant yourself, an administration fee of £250.00 plus VAT will be due to us.

Commission is payable out of rent received. Invoices in respect of a letting fee (where funds are not available) are payable on the date rendered.

Unless otherwise agreed between us in writing, each party (whether an individual firm, partnership, company, or any other legal entity) whose interests we represent while acting in accordance with your instructions will be jointly and severally liable for the payment in full of all of our fees, expenses, and VAT. This applies irrespective of any agreement reached between you and any other party as to how our fees are to be paid or to whom we address, or you ask us to address our invoices and other communications.

In view of the work involved in marketing your property our agency is on the basis of sole rights for a period of eight weeks from the date of marketing the property.

If you decide to opt for either our Letting and Rent Accounting Service or our Full Letting and Management Service, then that service may be terminated by either party on giving three months written notice.

In the event that the Tenant or any other person (or associate, nominee or relative of any such person or Tenant) introduced to you by us whether in the character of a potential purchaser or Tenant or licensee exchanges contracts to purchase the Property you shall pay us a commission of 1% of the purchase price plus VAT (hereinafter called the "Sale Commission"). For the avoidance of doubt the Sale Commission will be due upon exchange of contracts. However, it is our practice to accept payment of the Sale Commission upon completion of the purchase provided we receive an undertaking from your solicitors immediately on exchange of contracts confirming they will pay to us the Sale Commission from the completion monies.

## **5.2 Complaints Procedure**

Should you have any problems with our services, that you are unable to resolve with the Partner or Agent responsible for the matter, you should contact Mr David Bentley, Head of the Residential Division, Bidwells LLP, Stonecross, Trumpington High Street, Cambridge, CB2 9SU, informing him of the nature of the problem. He will make every effort to deal with the problem quickly and efficiently.

Bidwells LLP operates a formal procedure for complaints handling which complies with the minimum standard laid down by the RICS (Royal Institute of Chartered Surveyors). A copy of the Procedure is available upon request. The Complaints Procedure does not affect the contractual rights of either party to this agreement, and all fees remain payable in accordance with clause 5.1.

## **5.3 License to Sub-Let**

If you as a prospective Landlord, are a tenant or leasing it is essential that you check the following:

- That the intended sub-letting is permitted under the terms of your lease
- That the tenancy is for a period expiring prior to the termination of your lease
- That your superior Landlord's permission and sometimes the Residents Association's permission in writing is obtained when necessary, prior to sub-letting
- That we are supplied with a copy of the lease and especially any covenants, rules and regulations that apply

## **5.4 Commission**

We may review commission from third parties through recommendation of tenant insurance and utility providers.

## **5.5 Mortgage/Joint Ownership Consent**

Where the property to be let is subject to a mortgage and/or in joint ownership, please ensure that: -

- Permission is obtained in writing from the mortgagee to sublet the property. We will keep a copy of that permission on our files (It is advisable to obtain such permission at an earlier date prior to letting).
- Authority to let the property is obtained in writing from any joint owner(s).

## **5.6 Insurance**

You must always advise your insurers that you are letting your property. You should make certain that your property and your contents are adequately insured and that your policy remains in force while the property is let. You should also find out how long cover will remain in force should the property be empty at any time and whether the contents are covered in the event of accidental damage by the tenant — this information should be passed on to us.



### **5.7 Unoccupied Property**

Our management service does not include the supervision of the property during a void period (i.e. when it is not let) although, in the normal course of letting, periodic visits may be made to the property by our letting staff. It is therefore important that the property is made secure and in the wintertime the heating is left on at an adequate setting or that the water is drained off to prevent freezing and flooding. We will not be held responsible for any collection of post during this period.

### **5.8 Legal Action**

You will be informed of any rent arrears or breaches of covenant brought to our attention. However, if it is necessary for a solicitor to take action, you will be responsible for instructing your own lawyer and for all fees involved.

### **5.9 Deposit**

For the avoidance of doubt it is hereby agreed that all security deposits will be held by Bidwells LLP as stakeholder for both parties. In the event of a dispute as to entitlement thereto, such deposit shall be paid in whole or in part to you or the tenant, as we shall in our absolute discretion think fit and pending such payment we shall hold such money on the tenant(s) behalf.

You will indemnify us against any claim by the tenant for return of any deposit paid to him in whole or in part.

Any interest earned on deposits is paid to the tenant when the deposit is refunded, less payment of any outstanding costs for which the tenant is responsible.

### **5.10 Advanced Rent Payments**

Occasionally a tenant will pay an advanced rent payment e.g. 6 or 12 months. In the event of this happening, Bidwells will retain 1 month's rent on account to pay for any maintenance issues during the tenancy. This applies to managed properties only.

### **5.11 Tenancy Deposit Scheme**

All tenancy deposits taken (e.g. tenants' money held against possible damages and dilapidations etc) by landlords (or agents on behalf of landlords) in connection with an Assured Shorthold Tenancy (AST), must be protected by law under one of two types of statutory Tenancy Deposit Protection (TDP) schemes - a single Custodial scheme or one of two Insurance based schemes.

Bidwells are members of the Tenancy Deposit Scheme (TDS) which is an Insurance based scheme run by an organisation called The Dispute Service who provide independent dispute resolution and complaints handling for the lettings industry and are backed by three professional bodies for letting agents in the residential property sector - ARLA, NAEA and RICS.

### **5.12 Income Tax**

You should take advice from your accountant or tax department of your bank. Alternatively, we can provide you with taxation advice and service for an additional fee.

Residential rent is assessed as unearned income, but there are certain allowances you can claim. Below is a list of the main expenses that are normally allowable before tax.

- Interest on mortgage
- Agent's and Management fees ■ 10% of gross rent for fair wear and tear
- Repairs (but not improvements)
- Insurance of property, contents and appliances
- Inventory and legal costs
- Water rates
- Ground rent and service charges

### **5.13 Taxes Management Act 1970 Section 78**

Where we collect rent on behalf of a non - UK resident Landlord,

- We are required to notify the Inland Revenue that we are acting as your letting agent. All non-UK Resident Landlords are obliged to fill in the appropriate NRL1 form, which you will need to complete on the Inland Revenue website (<https://www.gov.uk/government/organisations/hm-revenuecustoms/contact/non-resident-landlords>)
- It is important that you complete this form prior to the property being let because until we receive dispensation from the Inland Revenue we will deduct income tax from rents received.

### **5.14 Council Tax**

The tenant(s) will be responsible for payment of Council Tax. We will inform the relevant council tax office of the details of the new occupants. If a property remains empty, you will be responsible for the charge rate set out by the local authority.

### **5.15 The Property**

Any outstanding repairs, redecoration or alterations to the property must be completed prior to the commencement of the tenancy. The property must be structurally sound prior to the commencement of our service and we reserve the right to postpone the commencement of the tenancy until such time as the property is considered habitable.

The property must be left ready for occupation and professionally cleaned including carpets.

We will then insist that the tenants clean the property to a professional standard at the end of the tenancy.

### **5.16 Mail**

We will not forward client's mail. Therefore, no responsibility can be taken for your mail and it is recommended that you make arrangements for it to be redirected via the Post Office. The Landlord should not expect Tenants to forward mail.

### **5.17 Garden**

Gardens should be left in good seasonal order. The mower should be in good working order and the minimum of tools left necessary for upkeep of the garden. If the garden is large, we recommend that a gardening service should be provided. Tenants should not be held responsible for trimming or cutting of large hedges, trees or shrubs. This will be the Landlords responsibility.

### **5.18 Cleaning**

We can arrange for cleaning of the property between tenancies and deal with the preparation of the property for new tenant(s).

### **5.19 Electrical Safety**

Landlords have a legal obligation to make sure the electrical installations in their rented properties are safe and must them inspected and tested by a person who is qualified and competent at least every five years. A copy of the Electrical Installation Condition Report or EICR must be supplied to the existing tenant within 28 days of the inspection and test, new tenants before they move into the premises and any prospective tenant within 28 days of receiving a request for the report. Where the report shows that remedial or further investigative work is necessary, complete this work within 28 days or any shorter period if specified as necessary in the report. We do not recommend televisions, sound systems or other non-essential electrical goods be left in the property. It is in your best interest to take out a regular service contract for appliances such as a dishwasher and washing machines etc. It is also necessary to check all portable appliances prior to the commencement of every tenancy. Breaches of the regulations could result in financial penalties of up to £30,000.

### **5.20 Gas Appliances**

Gas appliances within all properties must be serviced and certified on an annual basis. You must ensure that such appliances are serviced, and safety checked either by British Gas or a Gas Safe Registered Engineer once every twelve months. They must be serviced at the commencement of a new tenancy if they have not been serviced within the preceding twelve months. This is a Landlord's responsibility and there are severe penalties for non-compliance.

### **5.21 Utilities**

The ingoing tenant will be instructed to apply to the Electricity, Gas (if applicable), Water, Council Tax and Telephone companies for the necessary supplies. It is essential that you contact the Companies also before you leave to obtain final readings. Please note that BT will only deal with account holders in the transfer of telephone service. Bidwells LLP are therefore unable to arrange for transfers. It is the Landlord's responsibility to advise us of the utility companies.

**5.22 Fire Regulations**

Under the 1988 Fire and Furnishings Act, if your property is to be let furnished, then all soft furnishings and in particular easy chairs, sofas, beds and pillows must comply with the regulations and must carry suitable kite marks. It is a legal requirement to supply battery operated smoke and carbon monoxide detectors.

**5.23 General Maintenance**

We have a legal obligation to comply with the Construction Design and Management Regulations 2015 (CDM) which covers most maintenance, cleaning and repairs to be carried out by one of Bidwells approved contractors. Please be advised we will be unable to use or instruct any other contractors who have not been approved by our Compliance team.

**Signed**.....

**Print Name**.....

**Dated**.....