

AGENCY AGREEMENT



Between **PK Properties [P K Properties (LONDON) Ltd]**
451 Alexandra Avenue, Harrow, Middlesex, HA2 9SE
Company Registration Number: 03064970

and

Landlord's name/s (all joint landlords):

.....

Landlord's address: (current address and new address if applicable)

.....

.....Postcode

Tel: Mobile

E-mail Fax:

Address of property to let:

.....

.....Postcode.....

The following form the agreement between **PK Properties** and the Landlord specified above. They are, in conjunction with the Agent's information, the level of service required and selected by the Landlord and are reliant upon the information given to the Agent by the Landlord:

Definitions:

- ◆ The "Landlord", "you", or "your" means the person or persons named above as Landlord of the subject property and will include any others with a legal interest in the property, whether this has been disclosed or not. Where the party consists of more than one entity or person the obligations apply to and are enforceable against them jointly and severally. Joint and several liability means that any one of the members of a party can be held responsible for the full obligations under the agreement if the other members do not fulfil their obligations.
- ◆ The "Agent", "we" or "us" means **PK Properties**
- ◆ The "Tenant" means the party named in the tenancy agreement as the Tenant of the Property.
- ◆ The "Property" means the property noted above as the address of the property to be let including all outbuildings, grounds fences boundaries etc.

If the deposit is protected by The Dispute Service Tenancy Deposit Scheme, the clauses in appendix C apply. Whether a deposit is covered by this scheme can vary tenancy by tenancy and it can even change during a tenancy.

The following are applicable to all tenancies regardless of which deposit scheme is used.

1. Service levels

1.1 Our Introduction Only Service

- ◆ The Agent will arrange to provide a guide on the rental price of the Property, usually by visiting.
- ◆ The Agent will promote the Property in appropriate ways to find a suitable tenant for the Property.
- ◆ For Introduction Only Service landlords, once contact is made by a prospective tenant, the Agent will put the prospective tenant in contact with the Landlord who will then arrange all viewings and tenancy paperwork. The landlord will need to comply with the deposit legislation and the Immigration Act 2014 requirement as appropriate. This element does not apply to the following levels of service.
- ◆ Additional services are available for a fee.

1.2 Our Let Only Service

In addition to the Introduction Only Service items

- ◆ The Agent will arrange for the legally required checking and paperwork for the Property. This may include a gas safety record, an energy performance certificate, mains electrical testing, portable appliance testing and a legionella risk assessment. All costs will be borne by the Landlord, even if the Property is not actually let through the Agent.
- ◆ The Agent will arrange viewings with prospective tenants either using the keys supplied by the Landlord or in co-ordination with the current occupier.
- ◆ Once a prospective tenant is found who is interested in the Property, they will be asked to complete an application form giving information about themselves.
- ◆ The Agent will then take references appropriate to the circumstances of the prospective tenant. This may be done by the Agent or may be outsourced to a referencing company as the Agent thinks fit.
- ◆ The Agent agrees under Part 3 Chapter 1 of the Immigration Act 2014 to be the person responsible for checking the immigration status of all applicants, as appropriate, before the initial move in. For Let Only landlords the Landlord will be responsible for any further work needed under the Immigration Act.
- ◆ On receipt of references the Agent will set up the necessary paperwork to let the property on an appropriate tenancy or licence.
- ◆ The Agent will, if appropriate, arrange for the initial production and subsequent agreement of an inventory and schedule of condition of the property at the move in.
- ◆ The Agent will sign up the Tenant and collect any money due, giving the Tenant copies of appropriate paperwork.
- ◆ If a deposit has been collected and requires protecting under the Housing Act 2004 rules then you will either need to have a custodial scheme account of your own for us to transfer the deposit money into or you will have to purchase protection with an insured scheme and we will only send you the deposit once you have sent evidence of that protection. If we do not get evidence within 10 days, we will protect the deposit in the custodial scheme to protect you. We will not, however, have any involvement in the agreement about the refund of the deposit or any disputes at the end of the tenancy.
- ◆ For Let Only Service landlords, the Agent will then send the Landlord the funds, less expenses, and the paperwork. This element does not apply to the following levels of service.

1.3 Our Letting and Rent Collection Service

In addition to the Let Only Service items:

- ◆ The Agent will use its best endeavours at all times to collect rents or others charges due from the Tenant and provide monthly accounts to the Landlord. However, the Agent will not be liable for the amount of any arrears nor for any legal or other costs incurred by the Agent or the Landlord or any other party in respect of the recovery of such arrears.
- ◆ The Agent agrees that for the Letting and Rent Collection Service the Agent will accept responsibility for the ongoing Immigration Act checks that may be needed during the Term of the tenancy.
- ◆ If the Landlord lives overseas, the Agent must account to HM Revenue and Customs for the rental received and this can include deducting basic rate income tax. To avoid this, the Landlord must apply to HM Revenue and Customs for approval for gross rents to be paid. If such approval is not obtained, an extra 1% will be charged on the normal commission to cover the cost of the extra work involved.

1.4 Full Management Service

In addition to the Letting and Rent Collection Service items:

- ◆ The Agent will use its best endeavours to arrange minor repairs, general maintenance and replacements to the property without necessarily consulting the Landlord beforehand up to the limit agreed in writing upon giving instruction, (or up to the value of one month's rent where no figure has been specifically agreed). The Agent will not be responsible for damage or loss incurred to the Property or the Landlord in the event of repairs, general maintenance or replacements not being carried out.
- ◆ The Agent will make periodic visits to the property and send a report to the Landlord but such visits and reports can only be regarded as general oversight of the Property and its care by the Tenant. The Agent does not accept responsibility for actual variance between the report and the items reported upon. The Agent will liaise with the Tenant on all day to day matters arising.
- ◆ The Agent will use its best endeavours to recover 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 the Agent will liaise. The Agent can of course introduce the landlord to a solicitor to instruct if required. The Agent will not be liable for any legal or other costs incurred in any action against current or previous tenants undertaken on the Landlord's instructions.

1.5 All levels of service

- ◆ The Landlord will be responsible for the arrangement and valid continuance of adequate buildings and contents insurance on the Property unless specifically agreed otherwise in writing with the Agent. Furthermore, the Landlord will particularly inform the Agent in writing of any action that needs to be taken to ensure continuance of insurance either for renewal or because the Property is vacant.
- ◆ The Agent should be informed immediately of any substantial change affecting the Property and/or the Agent's management of it. The Landlord accepts that the Agent can best carry out their management function if they are aware of possible problems arising.
- ◆ The Landlord agrees to indemnify the Agent for (refund to the Agent) all reasonable costs incurred in connection with the management of the Property including the cost of complying with any existing or future legislation affecting the letting of the Property and the cost of repairing and removing and replacing any dangerous and/or defective equipment and/or furnishings with safe and compliant equipment and/or furnishings.
- ◆ If the Agent feels it will provide better service the Agent can arrange to instruct other agents to assist in the marketing of the Property. This will be at no additional cost to the Landlord unless specifically agreed and confirmed in writing.

2. The Landlord agrees and confirms:

- 2.1 That the Landlord is the legal owner of the Property or that the Landlord is authorised by the owner to enter into this agreement and is entitled to receive rental income.
- 2.2 That the Agent is appointed as agent for the Landlord on the Property.
- 2.3 That the Landlord gives the Agent authority to act on the Landlord's behalf and to do anything which the Landlord could do and that the Landlord will approve of everything done by the Agent in good faith except for negligent acts or omissions or breach of contract.
- 2.4 That the Landlord will compensate and reimburse the Agent for all costs and expenses, claims and liabilities incurred or imposed upon the Agent under this agreement, unless the loss or liability arises through negligence or breach of contract.
- 2.5 That the Property is fit to be let, compliant with all statutory requirements, safe to be let and all appliances and goods are in full working order, serviced and have safety instructions for use.
- 2.6 That the Property will be clean prior to letting and any garden is neat and tidy for the season.
- 2.7 That the Property and contents (if applicable) are adequately insured and that the insurance company is aware of, and consents to, the letting of the Property.
- 2.8 That where the Property is subject to a mortgage, the Landlord has consent to let the Property and that the Landlord will supply a written copy of the consent to the Agent prior to letting.
- 2.9 That if the Property is leasehold the Landlord will obtain any necessary consent for letting and supply the Agent with a copy of the lease and the lessor's consent prior to the letting.

- 2.10 That the Agent or any of the employees of the Agent may sign the tenancy agreement, notices and any relevant documentation for and on behalf of the Landlord.
- 2.11 That the property will be supplied with a minimum of one working smoke alarm per floor and a carbon monoxide alarm in every room with a solid fuel burning appliance, and if this is not present, the Agent can arrange for the fitting of appropriate alarms at the Landlord's expense. Some properties may need more than simple smoke alarms.

3. The Agent:

- 3.1 Will not, as part of the regular management of the Property, be responsible for the supervision or management of any major building work or refurbishment of the Property, unless agreed between the Landlord and the Agent in writing prior to the commencement of the project and upon terms to be agreed.
- 3.2 Is not liable for any loss or damage arising from the defective work, sub standard repair or any other default by a contractor engaged by the Agent, unless there has been any negligent act by the Agent in relation to the selection or management of the contractor or the repair work.
- 3.3 Is not responsible for redirecting the Landlord's post delivered to the Property.
- 3.4 Is not responsible to manage the Property when it is not let.
- 3.5 May delegate any of the services to be provided to the Landlord, such as inventory taking or referencing of prospective tenants, where it does not adversely prejudice the Landlord by doing so.
- 3.6 Is not responsible for any latent (hidden) defect in the Property.
- 3.7 Will not be liable for any loss or damage suffered by the Landlord via the act, negligence, and omission of any third party which may arise, otherwise than through the negligence of the Agent.
- 3.8 Will not attend court or any tribunal in relation to the Property as part of the regular management of the Property unless agreed between the Landlord and the Agent beforehand or unless as a matter of law the Agent is required to attend. Prices for such work are in the Scale of Charges.
- 3.9 Will notify the Landlord of any notices the Agent receives in relation to the Property.
- 3.10 May, at their discretion, prepare and serve legal notices required relating to the letting, subject to the level of service requested.
- 3.11 The Agent will arrange for periodic testing of electrical appliances to ensure compliance with the Consumer Protection Act 1987 and to fulfil a duty of care to the Tenant. The Landlord agrees to refund the cost of such testing.

4. Financial matters:

- 4.1 The Landlord will indemnify the Agent (not hold the Agent liable) for any claim, damage or liability suffered by the Agent as a result of acting on the Landlord's behalf unless this arises through the Agent's negligence or breach of contract.
- 4.2 The Landlord will pay to the Agent fees, commission and expenses appropriate to the level of service required by the Landlord as set out on the attached Scale of Charges or any revision of the Scale of Charges notified to the Landlord in accordance with this agreement.
- 4.3 The Agent will pay for repairs out of rent money held and where the monies held are insufficient to cover the cost of a repair the Landlord will pay the Agent any shortfall upon demand.
- 4.4 The Agent will negotiate the level of rent to be charged in consultation with the Landlord and may review the rent from time to time as the tenancy agreement, law and rental market permits.
- 4.5 The Agent shall be entitled to retain interest earned on any money held on the Landlord's behalf and any commission or referral fees from but not limited to insurance companies, referencing companies, utility companies, contractors and any fees charged to tenants earned while acting on the Landlord's behalf in accordance with Scale of Charges attached. Details of such income received by the Agent can be provided to the Landlord on request.
- 4.6 The Landlord and the Agent will comply with all requirements of HM Revenue and Customs.
- 4.7 Where the Tenant is in receipt of Housing Benefit, the Landlord will pay and indemnify the Agent for (refund to the Agent) any requirement to refund Housing Benefit to the local authority.
- 4.8 Where there is a claim on the Landlord's insurance, the Agent will, as far as the law permits, assist with the claim where necessary and the Landlord will pay the Agent's fees for this service in accordance with the Scale of Charges.

- 4.9 The Landlord will pay, reimburse and indemnify the Agent (refund to the Agent) for all costs incurred by the Agent, howsoever arising or incurred by the Agent, in order to keep the Property compliant with the law.
- 4.10 If the Agent takes a holding deposit on the Property from a prospective tenant, if the prospective tenant should default, these funds will firstly be used to reimburse the Agent's costs and expenses and then any surplus will be applied to lost rent.
- 4.11 The tenancy deposit will be processed in accordance with the requirements of the Housing Act 2004 and deposit protection.
 - 4.11.1 The Agent will choose a suitable scheme and comply with the initial requirements of that scheme.
 - 4.11.2 If the deposit is to be held by the Agent it will be held in the Agent's client account until the Tenant has vacated and the move out inspection concluded.
 - 4.11.3 Deposit monies shall be paid out upon agreement between the Landlord and the Tenant, the decision of an adjudicator or an order of the court.
 - 4.11.4 The Agent will try and assist in resolving any dispute.
 - 4.11.5 If the deposit is required to be protected by the Housing Act 2004 then the Agent will have to pay the deposit into the scheme once a formal dispute is raised with the scheme.
 - 4.11.6 If the deposit is not required to be protected under the Housing Act 2004 then the Agent will retain the deposit during negotiations on the refund pending agreement or a court order.
 - 4.11.7 For avoidance of doubt the Agent will hold the deposit as Stakeholder and will be entitled to retain any interest earned on the deposit.

5. Notices

- 5.1 If the Landlord wishes to cancel this agreement before a tenancy has commenced, the Landlord may do so by writing to the Agent at the Agent's address. If the landlord wishes to cancel within 14 days of the signing of this agreement, then they may cancel by completing the form found to the end of Appendix B below.
 - 5.1.1 If the Agent has committed expenditure or undertaken work, the Landlord agrees to reimburse the Agent with those costs and expenses.
 - 5.1.2 If a ready willing and able tenant has been found, this could be as much as the Let Only Service fee plus other expenses incurred, such as the gas safety check.
- 5.2 If the Landlord wishes to cancel this agreement during a tenancy (Rent Collection and Full Management only), the Landlord may do so by writing to the Agent giving reasonable notice to allow for the orderly handover of the Property.
 - 5.2.1 Please note the Agent will not be able to transfer the deposit without the written agreement of the Landlord and the Tenant. The Agent will also need to be satisfied it will be properly re-protected after being handed over.
 - 5.2.2 In the event of cancellation during a tenancy the minimum fee that would be payable is the Let Only fee plus other costs incurred, including a reasonable fee for the time management has been provided.
- 5.3 If the Agent wishes to end this agreement at any stage the Agent will write to the Landlord giving reasonable a notice to allow the Landlord to appoint another agent.
- 5.4 Notice can be posted first class, recorded delivery, or hand delivered to the Agent's office for notices to the Agent or the last known address of the Landlord for notices to the Landlord.

6. Various

- 6.1 It is agreed that the Agent may from time to time vary the terms of this agreement (usually annually) and the Scale of Charges in writing. The Agent will notify the Landlord of the proposed variations and such variations shall then form part of this agreement unless the Landlord declines the amendments, by written notification to the Agent within fourteen days of receipt. At least one month's notice will be provided.
- 6.2 The Contacts (Rights of Third Parties) Act 1999 will not apply to this agreement.
- 6.3 This agreement will form the basis for the Agent managing any other properties for the Landlord at which ever level of service the Landlord chooses for each property.

7. Deposit

TENANCY DEPOSIT PROTECTION SCHEME IMPLEMENTED 6th APRIL 2007

From 6th April 2007 all tenancy deposits taken by landlords (or agents on behalf of landlords) in connection with an Assured Shorthold Tenancy, 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. The legislation is mandatory and applies to tenancy deposits under the relevant Assured Shorthold Tenancy. There are two types of schemes; a Custodial Scheme or The (two) Insurance-based Schemes.

**P K Properties (London) LTD is member of the single Custodial Scheme:
'The Deposit Protection Services'**

The Pavilions

Bridgewater Road

Bristol

BS99 6AA

www.depositprotection.com

Where the landlord/agent registers the tenants deposit in to the scheme within 14 days from the commencement of the Tenancy Agreement, the deposit is transferred to the DPS Custodial Scheme bank account and the tenant is provided with specific information about how the deposit is protected. The Custodial Scheme administrator (not the landlord or the agent) holds the deposit for the term of the tenancy and refunds the deposit back to the tenants or the landlord, deducting any damages/non-payment of rent if both parties agree. However, if there is a dispute for the amount where both parties are not agreeable then the amount which is not in dispute must be refunded to the tenant within 10 days. The amount which is in dispute will be settled by the arbitrator of the scheme. More information can be obtained from the above website or enquiries can be sent by email at enquires@depositprotection.com.

8. Rent Guarantee

PK Properties are approved agents for Rentshield who offer a variety of insurance schemes for landlords of residential properties, notably their rent guarantee schemes. This is available as an additional service as part of the Rent Collection & Fully Managed services. Further information and advice is available upon request.

9. Housing Act 2004 (HMO)

The Housing Act 2004 introduced a new definition of a House in Multiple Occupation. From 6th April 2004 a property is classified as a HMO if it is rented out to at least three tenants, forming more than one household and who share a toilet, bathroom or kitchen facilities with other tenants. Your property will be classified as a large HMO if it is at least three storey's high, at least five tenants reside at the property, forming more than one household and who also share a toilet, bathroom or kitchen facilities with other tenants.

A household is defined as either a single person or members of the same family who live together. A family would include people who are married or living together (including same sex relationships), relatives or half-relatives (grandparents, aunts, uncles or siblings), step-parents or step-children.

We are advised that this new legislation, which is administered at local government levels, is entirely open to interpretation by individual local councils and until such time as case of law produces definitive answers, there may be some confusion. It is essential that you take further advice and contact the relevant local authority. Further information is available from the Communities Local Government website www.communities.gov.uk. Failing to comply with the above Act can lead to the landlord being prosecuted and fined.

10. Data Protection

- 10.1 The Agent is required to be registered for the purposes of the Data Protection Act.
- 10.2 The Landlord gives consent to their personal data being given to tenants, contractors, enforcement agencies, insurance providers, utility providers, other partners and property management software providers to enable the effective management of the property and to comply with legal duties.

If you wish to instruct us we can only proceed upon receipt of this agreement duly signed and the information requested in this Pack

The Landlord agrees and accepts this Agency Agreement and instructs the Agent to undertake the level of service indicated below at the rate in the prevailing Scale of Charges.

Introduction Only

Let Only

Letting and Rent Collection

Full Management Service

Please tick the box where applicable. If there is no box to tick please speak to us if you would like our help with the item.

- | | Yes | No |
|---|--------------------------|--------------------------|
| 1. The Landlord will be responsible for notifying the insurer of the property that the Property is to be let. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. The Landlord is the legal owners of the Property, or is authorised to let the Property on behalf of the owners. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. The Landlord will immediately inform the Agent if the Landlord instructs another firm to let the Property and/or if the Landlord finds other prospective tenants to rent the property. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. The Landlord will arrange for permission from any mortgage lender and provide a copy of that permission to the Agent. | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. The Landlord confirms that all soft furnishings at the Property comply with the current fire safety regulations and that all non compliant furniture has been removed from all parts of the Property | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. The landlord authorises the agent to carry out the necessary to ensure that the property has a valid Gas Safety Certificate and EPC, as well as Smoke & Carbon Monoxide Detectors as required, before the tenancy has commenced, which the landlord will be charged for (landlord will be communicated the charges before going ahead) | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. The Landlord requires details of the Rent Guarantee and Landlord's Legal Expenses Insurance | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. The Landlord confirms that all soft furnishings at the Property comply with the current fire safety regulations and that all non compliant furniture has been removed from all parts of the Property | <input type="checkbox"/> | <input type="checkbox"/> |

May we start providing our service within the 14 day cancellation period allowed by the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013? If you agree we can, then you will be liable for our costs incurred if you decide to cancel. (Please initial to indicate agreement.)

Signed
Landlord/ or for and on behalf of all owners of the Property

Dated

Note: Where more than one party is stated in this agreement as the Landlord, those parties will be jointly and severally liable for all of the Landlord's obligations contained in this agreement.

Signed by Agent

APPENDIX A

SCHEDULE 1 and 2 information

Information relating to distance, on and off-premises contracts

These terms only apply to consumers. If you are a business, these terms do not apply. The requirements of schedule 2, which are not applicable, have been removed.

(a) The levels of service available to the landlord can be found in Section 1 of this agreement.

(b) The trading name of the company is PK Properties

(c) The company can be contacted at:

Address: 451 Alexandra Avenue, Harrow, Middlesex, HA2 9SE

Telephone number: 0208 429 1683

Fax number: N/A

Email address: lettings@pkproperties.co.uk

(d) and (e) We do not act on behalf of another trader

(f), (g), (h) and (j) See attached "Scale of Charges"

(k) See attached "Complaints Procedure"

(l) The information on the right to cancel, and how to cancel, can be found in Appendix B of this agreement.

(n) The costs involved with invoking a right to cancel can be found in Appendix B.

(q) We have ongoing after sales service all available via our website or through contact details listed in (c) above.

(r) We are member of The Property Ombudsman and the relevant codes can be found here: www.tpos.co.uk

(s) The conditions for terminating this contract can be found in 5.1, 5.1.1, 5.1.2, 5.2 of the main agreement.

APPENDIX B

Right to Cancel

You have the right to cancel this contract within 14 days without giving any reason.

The cancellation period will expire after 14 days from the day of the conclusion of the contract.

To exercise the right to cancel, you must inform us, [~insert agency name, geographical address (le no PO box) and, where available, your telephone number, fax number and email address] of your decision to cancel this contract by a clear statement (e.g. a letter sent by post, fax or email). You may use the attached model cancellation form, but it is not obligatory.

To meet the cancellation deadline, it is sufficient for you to send your communication concerning your exercise of the right to cancel before the cancellation period has expired.

Effects of cancellation

We will make the reimbursement without undue delay, and not later than 14 days after the day on which we are informed about your decision to cancel this contract.

We will make the reimbursement using the same means of payment as you used for the initial transaction, unless you have expressly agreed otherwise, in any event, you will not incur any fees as a result of the reimbursement.

If you requested to begin the performance of services during the cancellation period, you shall pay us an amount which is in proportion to what has been performed until you have communicated us your cancellation from this contact, in comparison with the full coverage of the contract.

Cancellation Form

To [~insert agency name, geographical address and email address]:

I/We [*] hereby give notice that I/We [*] cancel my/our [*] contract for the supply of the following service [*],

Ordered on[*]/~~received on~~ [*],

Name of consumer(s),

Address of consumer(s),

Signature of consumers(s) (only if this form is notified on paper),

Date

[*] Delete as appropriate.