



TERMS OF BUSINESS **LANDLORDS (PROPERTY MANAGEMENT)**

Property Address:

Landlord(s) Name:

Landlord Address:

Thank you for instructing CXG to let your property. Please see below our Terms of Business to landlords for our Property Management Services.

Legal Permissions:

First we need to check that you have legal permission, and that you:

- Have authority to agree these terms and to let the property.
- Are the freehold owner of this property, or if you are the leasehold owner that you have obtained permission from the leaseholder to let the property.
- Have gained consent from your mortgage lender (if appropriate) to let the property.
- Are entitled to receive rent for the property.
- Have given us all the relevant information regarding the property, especially information which may affect the tenant's use of the property.
- Understand that if the information you have given is wrong, which then causes legal proceedings to be brought, you agree to reimburse CXG reasonable costs associated to said legal proceedings.

We will act on your authority to let the property and will sign the Tenancy Agreement on your behalf as the Letting/Management agent appointed for this property.

Rent Amount

We will advertise the property at £_____ per calendar month.

To Let Board

We will place one of our 'To Let' boards outside the property to maximise the marketing potential.

Energy Performance Certificate

Under Government Legislation, an Energy Performance Certificate (EPC) must be produced by a Domestic Energy Assessor (DEA) before the property can be advertised. When completed,

this certificate is valid for 10 years. If there is not a valid certificate we will arrange this at a cost of £75 including VAT and bill to your account accordingly.

Viewings

We will arrange access with the current occupier of the property for viewings with new potential tenants. If the property is vacant, we will use our keys to access the property for viewings.

Keys

We require a total of three sets of keys before the tenancy commences. We provide two full sets to the tenant, and retain one in the office. If you do not provide the satisfactory number of keys we will get copies made and bill this to your account at cost price.

Referencing Tenants

All tenants who let a property through us are subjected to referencing. This involves a Credit Check, Previous Landlord Check and Employment Status Check. If the tenant fails any one of these references they will be declined the property and it will be re advertised.

This procedure can vary slightly for HMO properties, but we will still carry out the relevant checks to ensure any tenant placed is suitable for the property.

When References are Successful

We will then arrange a move in date for the tenant. The full deposit of 1.5x the monthly rent will now become due and be requested from the tenant. We will prepare a draft tenancy agreement for the tenant to check ready for signature.

The Tenancy Deposit

We will take a deposit from the tenant and will hold the deposit as 'Stakeholder' under the mydeposits Deposit Protection Scheme, unless we have agreed alternative Deposit Protection with yourself. A one off charge at the tenancy commencement of £50 including VAT applies for this.

Furniture and Furnishings

You have confirmed that the property will be unfurnished, any soft furnishings comply with the (Fire) (Safety) Regulations 1988, and you are responsible for maintaining any supplied furnishings, white goods, fixtures and fittings.

Gas Safety (Installation and Use) Regulations 1998

You confirm that there is a valid CP12 Gas Safety Certificate for the property. If you have elected to provide your own safety certificate we will provide you with a written reminder 14 days before it is due. For managed properties only, if we have not received a new Gas Safety Certificate by the due date we will instruct our own engineer and bill your account accordingly. If you have elected for us to manage your certificates we will renew each year automatically.

Laws Regarding Smoke and Carbon Monoxide Detection

As of the 1st October 2015 it is a legal requirement for Landlords to provide adequate smoke and carbon monoxide detection. Under Building Regulations, all house built since 1992 must have mains powered smoke detection on each storey of the building. All houses built prior must have at least battery powered (although mains powered is recommended) smoke detection on each storey. All properties with solid fuel burning appliances must have a Carbon Monoxide Detector Installed – however we strongly recommend the installation of Carbon Monoxide Detectors in properties with Gas Appliances as well. If your property does not comply, we will arrange for a maintenance engineer to attend and install the appropriate means of protection.

Property Ownership

If this is this first time you have let this property through us we will carry out a Land Registry check to ensure you are the legal owner of the property. This will be billed to your account at £6.00 including VAT.

Inventory and Schedule of Condition

Whilst not compulsory, we strongly recommend that we prepare an Inventory and Schedule of Condition prior to a tenant moving in. As one of the most important documents when letting a home, you will not be able to make any deposit deductions for damages without an inventory taken prior to the start of the tenancy. Unless instructed otherwise, we automatically compile a detailed inventory prior to each let. The inventory contains detail on every fixture and fitting in the house and is accompanied by a large number of photographs.

You can see a sample inventory report at the following site: <http://cxgonline.co.uk/landlord-resources/>.

Our inventory fees are set out below:

Studio/1 Bedroom Property: £50 including VAT
2 Bedroom Property: £70 including VAT
3 Bedroom Property: £90 including VAT
4 Bedroom Property: £110 including VAT
5+ Bedroom Property: £130 including VAT

If the property is furnished we will add £15 including VAT to the total cost of the inventory.

Property Management

Where you have instructed us to manage the property on your behalf the following services will be provided:

Inspecting the Property

We will inspect the property on a quarterly basis, and will send you a detailed report including colour photographs of the house during the tenancy. We also do a visual check on exterior factors such as guttering, roof tiles, fascias, fences and sheds.

Maintenance and Repairs

In most cases we will take care of the repairs at our managed properties, however some Landlords have their own contacts in the Property Maintenance field and as such prefer to use their own contractors rather than ours. For your convenience we have a sister company; REBI Construction Limited who operate from the same premises as us, and cover all aspects of repairs and maintenance. By acceptance of these terms you authorize us to spend a limit of £240 including VAT in the case of an emergency at the property. We will of course try and contact you regarding repairs where possible to gain authorization, sending quotes along with our report.

Please contact us if you have any fixtures and fittings under warranty (such as Boilers), if you have any maintenance plans in place (such as British Gas Homecare) or if you have your own contractors. We will then update your 'Maintenance Preferences' to ensure the correct action is always taken. You can add to, or remove from these maintenance preferences at any time.

End of Tenancy

To end a tenancy, your tenant must provide us with one month's' written notice of their intention to terminate the tenancy. Their final rent will in some cases be pro-rated depending on the time of the month they hand in their notice, we will calculate this to the correct amount. We will immediately begin to advertise the property upon receipt of tenant notice to source new tenants and minimise void periods.

We conduct a 'Check Out' inspection of the property within 48 hours of receiving the keys back. On this inspection, we prepare a report that compares the condition of the property to when the inventory was taken at the commencement of the tenancy. This is crucial in then proposing any deposit deductions, which we will do following the closing inspection. Providing the property has been left in a satisfactory condition, we will release the deposit back to the tenant within 10 days.

If a deposit deduction is disputed by the tenant and we are unable to reach a resolution, the dispute is taken on by my|deposits. An independent adjudicator will assess all of the evidence before reaching a decision as to who will be the beneficiary of the disputed amount, or if it should be split between the tenant and the Landlord.

Tax

For your information, as a Letting Agent we are obliged to provide HMRC a list of our Landlords and their income on an annual basis.

As a Landlord receiving rental income, you are obliged to declare your income to HMRC under self assessment on an annual basis. We will provide you with an annual summary of your income and expenditure to aid you in this process. We strongly recommend you seek the advice of a professional accountant to ensure your tax return is correct, and that you have claimed for all allowable expenses appropriate. We have a tax partner who can be contacted through the website www.cxgtax.co.uk.

Paying You

We operate two different Landlord payment options here at CXG. The first of which, we pay each Tuesday for money collected on the previous Monday - Friday. For Landlords with portfolios of multiple properties who wish to receive one payment each month encompassing all properties, we can pay on the 1st of the month for rent received in the 1st-31st of the previous month. A statement will accompany each payment.

Terminating this Agreement

You can terminate this management agreement by giving not less than one month's notice in writing to us.

By ending our managed service, we will however request reimbursement from you of our set up costs which we incorporate in our monthly management fee, as we do not charge for tenant finding/set up fees on our fully managed service. Our early termination fee is £300 including VAT and will be deducted from your final rent payment received from us.

You may end this agreement whilst the property is vacant (i.e. at the end of a tenancy) with no penalty charges and no notice period required.

Licences and Regulatory Bodies

For your protection we are voluntarily members of the National Approved Letting Scheme (Licence Number A4143) and Safe Agent (Licence Number S3713) and hold Client Money Protection Insurance. We are also registered with The Property Ombudsman under Licence Number D7414.

Management Charges

We will charge a management fee of 10% + VAT of the monthly collected rent.

Additional Services that we may charge for

Certain situations may arise during/before the tenancy that requires work in addition to our normal duties. These may include:

- Applications for planning permission or HMO Licences.
- Administering disputes that are sent to my|deposits.
- Negotiating insurance claims on your behalf.
- Preparing documentation and making court applications regarding tenant evictions.
- Attending court on your behalf.
- Visiting the property at the request of the Landlord (in addition to our normal quarterly inspection visits).
- Purchasing items on the Landlord's behalf.
- Vacant property management as requested by the Landlord.

Any additional expenditure will always be sent to you first for your authorization.

Confirmation of these Terms of Business

We will send you a copy via our e-signature platform to sign if this is the first letting. In the cases of re-letting the property, you accept these terms unless you advise us otherwise in writing.

Signed:

Printed:

Date: