

Lettings

Terms of Business

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## Introduction

We're passionate about property, and we love central London. With 50 years' experience in this area, we're convinced no one knows it better than we do. No two properties are ever the same around here, so we tailor our professional, friendly service precisely to your individual needs.

Working on our landlords' behalf, we represent a variety of prestigious properties in some of the world's most historic locations, attracting some of the highest quality tenants from around the globe.

We always aim to deliver a personal, expert service that's second to none. And it's working: our success has been built on recommendations and repeat business. We're looking forward to working with you.

This document sets out the details of the Lettings Service, Lettings with a Rent Collection and/or Management Service, and Short Term Rentals. Our terms of business are there to protect both of us. Naturally they sound a bit formal, but we've tried to make them as clear and straightforward as possible.

## The Basics

Hudsons' ("Hudsons", "we" or "us") Terms of Business ("the agreement") sets out full details of each of our services, with our terms and charges. The agreement also includes important information summarizing important legal obligations relating to the property. It's essential that you read and fully understand our terms of business, and your obligations under this agreement.

If you have any questions, please just ask. We'll be more than happy to clarify any points. This is important, because signing the agreement means you understand and accept all our terms, and you have instructed us to act on your behalf.

## Commission and Fees (Summary)

This is a summary of the commission fees we'll charge. There's more information on each service, and other terms (including any additional fees), later in this document.

Our commission fees are charged as a percentage of the total rent payable under the Tenancy Agreement (including any premiums payable), plus VAT at the applicable rate.

- 1.1 **Lets:** For introducing someone who rents the property for more than six months: 10% plus VAT.
- 1.2 **Short lets:** For introducing someone who rents the property for six months or less: 20% plus VAT.
- 1.3 **Our minimum commission** in each case is £1,000 plus VAT.
- 1.4 **Letting plus rent collection:** For introducing a tenant, plus arranging to collect the rent, provide a detailed statement and transfer the rental income to a designated account: 13.5% plus VAT.

1.5 **Renewal:** If the tenant or someone else occupying the property renews or extends the tenancy, or otherwise occupies the property beyond the initial agreement period, we'll charge an extra commission of 8%. This renewal commission is based on the total rent payable by the tenant for the additional period. We can negotiate the renewal, or you can do it yourself. The commission applies either way. And it's worth remembering that our knowledge of the area means we'll know if the tenant is due a rent rise – and we'll have the evidence to back it up. This commission also applies if a company renews the agreement, as long as the company is in the same group as the existing tenant (as defined by section 42 of you and Tenant act 1954).

1.6 **Our management fees** are added the letting commissions above (except for Short Lets). We charge these at 6% plus VAT

1.7 **Additional fees** you might need to pay are covered in Section 3.

## 1.8 **Payment of Fees and Refunds**

### **Fees:**

1.8.1 **Letting Service:** If we collect the rent, we'll deduct our commission from the first month's payment (and subsequent months if necessary to cover the fee). If you collect the rent yourself, you'll need to pay our commission for the entire term of the tenancy in cleared funds on or before the tenancy start date.

1.8.2 **Management service:** If we collect the rent, we'll deduct our commission from the rent payments. If you collect the rent yourself, you'll need to pay the commission for the entire term of the tenancy on or before the tenancy start date.

1.8.3 **Our management fee** is an additional 6% of the total rent payable under the Tenancy Agreement, plus VAT.

1.8.4 The management fee is charged according to how rent is received. So in most cases, unless the rent is paid in advance, this fee is charged monthly. If the tenant defaults on the rent, our management fees remain payable within 14 days of our invoice.

1.8.5 If a tenant we've introduced, or any person or corporate body associated with such a tenant, buys the property or any interest in it, then you'll need to pay us a commission once the sale is complete. This will be based our standard commission rate, which is currently 2% of the purchase price.

### **Refunds:**

1.8.6 If either you or your tenant exercise the right to break the tenancy, using a clause in the Agreement, we'll refund any commission paid to us in advance, on a pro rata basis. This only applies in the case of a legitimate break in the original Tenancy Agreement, or subsequent agreements negotiated by us.

1.9 **Value Added Tax (VAT)** is charged on all our fees at the prevailing rate.

## 2 Our main services in detail

### 2.1 LETTINGS

For Lettings and Short Lettings, we provide the following services:

- 1.1.1 We'll advertise and market your property at our discretion, using our website and selected property portals.
- 1.1.2 We'll accompany every viewing, and keep a working set of keys.
- 1.1.3 Unless you inform us otherwise, we can provide details of the property to another agent on a commission sharing basis. This doesn't affect what you pay us.
- 1.1.4 We'll introduce a prospective tenant or tenants, negotiate the rent, and take up references – either ourselves, or through a specialist credit reference agency.
- 1.1.5 We'll send you copies of the references for approval. If you don't raise any queries about the references before signing the Tenancy Agreement or otherwise instructing us to go ahead with a letting, you'll be deemed to have either accepted the references, or waived the requirement for references.
- 1.1.6 We'll negotiate the terms of the Tenancy Agreement to be acceptable by both sides. We cannot check any Tenancy Agreements prepared by other parties or firms, or any premium leases. We advise you to get separate legal advice on any such agreements.
- 1.1.7 We can provide a tenancy agreement and get it signed by both parties, as required by the Housing Act (1988). We charge £100 + VAT for this. We waive this fee if you provide your own agreement. But we'll charge the same fee if you ask us to complete or proof-read any agreement other than our own.
- 1.1.8 We'll collect and register the tenant's deposit against damages and rent arrears, as stipulated in the Tenancy Agreement. This is normally equivalent to six weeks' rent, unless you accept a letter of guarantee instead.
- 1.1.9 We'll collect rent payments.
- 1.1.10 On your written instructions to terminate the tenancy, we'll inform the tenant(s) that the agreement won't be extended, and serve the Section 21 Notice if applicable.
- 1.1.11 It's usually your responsibility to provide and pay for the inventory, and the check at the beginning of the tenancy. The tenant then pays for the check at the end of the tenancy. This cost is usually deducted from their deposit. If you instruct an independent inventory company, we cannot accept responsibility for any errors or omissions they make. (If we're collecting rent or managing your property, we'll arrange this for you automatically, and add the cost to your account.)
- 1.1.12 After the end of the tenancy, we'll get the check-out report from the inventory clerk and send the report to you, so you can take any action and make any charges as necessary. You'll need to agree any such charges directly with the Tenant.

- 1.1.13 Once we have written consent from you and the tenant, agreeing any deductions, we'll refund the deposit (or balance) to the tenant, less any charges you've agreed in writing with the Tenant to cover repairs, replacements or cleaning.
- 1.1.14 We'll pay you whatever charges from the deposit you've previously agreed with the tenant.
- 1.1.15 We'll give the tenant a standing order mandate for the rent, so it will be automatically debited from their bank account to reach yours by the rent due date. We cannot oversee the rent payment for tenancies where we don't collect rent or manage the property.
- 1.1.16 Your property must be cleaned to a professional standard at the beginning of the tenancy. If we collect rent and manage the property, we'll arrange this for you and deduct the cost from tenant's payments. If your property is on the market for any length of time, we recommend regular cleaning to keep it at its best for marketing.
- 1.1.17 You can't begin a tenancy without fulfilling the necessary gas, electrical and fire safety regulations. You need to supply us with a copy of your's Gas Safety Report before the tenancy starts. (If we collect the rent and manage the property, we'll arrange these automatically, and add the cost to your account). Certification for any new electrical installations must comply with British Standard 7671. These certificates are required for all newly refurbished or new-build property.

## **2.2 LETTING PLUS RENT COLLECTION**

For these lettings, we provide all the services in 2.1, plus:

- 2.2.1 We'll demand the rent on the due dates, in accordance with the Tenancy Agreement, and prepare a statement of account. Assuming the funds clear, we'll forward the rent to your nominated bank account (less any deductions). Please allow up to 10 working days between our receiving the funds, and them reaching your bank account.
- 1.1.2 If the tenant is late with a rent payment, we'll use all reasonable endeavours to chase them, and we'll keep you up to date. However, it would be your responsibility to take legal action and instruct a solicitor if the situation continues. We're not able to advise on any such proceedings. Unless we receive instructions from you or your solicitor, we'll take no further action.
- 1.1.3 If you need to take court action, and we are requested to attend court, we will charge £150.00 per day (or any part), plus VAT at the prevailing rate.
- 1.1.4 We can give you details specialist schemes to guard against any tenant disputes, but if you want to use these you need to have them in place before the tenancy begins. If you'd like to know more, just ask.

## **2.3 MANAGEMENT SERVICE**

Our minimum period for property management six months. After that, you may terminate the service with at least one month's written notice. Either party may terminate the service with immediate effect by serving notice in writing, if the other party in is material breach of its obligations under this Agreement, if the breach is not resolved within 14 days of the notice. If the management service is terminated, it reverts simply to the Lettings Service.

The management service includes everything in 2.1 (Letting Service) and 2.2. (Rent Collection Service). Please note that sections 2.2.3 and 2.2.4 still apply. We will also provide the following services, as long as you provide us with a working management fund of at least £350.

- I.1.1 We'll arrange to pay your final utility and Council Tax bills, as long as you've given us the name, address and account number for each. Please note, some suppliers will only take instructions from the account holder.
- I.1.2 We'll arrange your gas and electrical safety certificates where applicable. We'll add the cost to your account, but please be aware these always remain your responsibility.
- I.1.3 If you don't already have an Energy Performance Certificate (EPC), or the property hasn't been rented before, we'll arrange this for you. The cost for this remains your responsibility.
- I.1.4 We'll resolve any maintenance issues, arrange the inventories at the start and end of the tenancy, and manage the negotiations at the end of the tenancy, including deposit returns. We'll act as mediator between you and the tenant over any damage in the check-out report, or any breach of the tenancy. If we can't reach an agreement, we'll have the matter over to the Independent Case Examiner of the Tenancy Dispute Service (TDS). The liability for any loss will depend on the award made by the arbitrator.
- I.1.5 We'll organise any maintenance and repairs reported by the tenant during the tenancy, and call out a contractor to carry out any appropriate repairs. If the cost of a repair is likely to be more than £500, we'll always do our best to get your approval, assuming we can get in touch with you or one of your authorised representatives.
- I.1.6 We'll need a working cash balance in advance, or from monies received, to be held during the tenancy for management expenditure before, during and at the end of the Tenancy. This includes repairs and replacements if applicable. This money is held in a separate Management account which pays no interest. We cannot promise to meet any outgoings beyond the funds available for each property.
- I.1.7 If you instruct us to do so in writing, we'll arrange for payments on your behalf for service charges, water rates and insurance. The invoices remain your responsibility, but must be sent directly to us. We can only make payments for which we hold sufficient management funds.
- I.1.8 The property needs to be cleaned to a professional standard, which may include steaming carpets and upholstery. We'll arrange this charge the cost to your account, but this cost always remains your responsibility. If your property is on the market for any length of time, we recommend regular cleaning to keep it at its best for marketing.
- I.1.9 The property manager will visit the property at least twice a year during the tenancy, and will give you a report detailing its visual condition. This is not a structural survey. We can only report on the superficial condition apparent when we visit. We are not liable for any hidden or latent defect which arises, if it was not easily visible when we made our inspection.
- I.1.10 We are not responsible for the property before a tenancy begins or between tenancies, and no management agreement exists for the property until a tenancy begins, unless agreed between us in writing and subject to an additional fee (see clause 3.4). The management agreement expires when the tenancy ends, unless you instruct us in writing to continue with the service. There is an additional cost for this (see clause 3.4).

1.1.11 Even if we don't let your property, we can still make an agreement to provide you with our management service. The fee for this is 6% of the total rent payable, plus VAT.

#### **1.4 SHORT TERM LETS**

1.1.1 We'll provide all the services detailed under our Letting Only, Rent Collection, and Management Services.

1.1.2 Because the property is let for less than six months, the gas, electric, water, Council Tax and television licence accounts all remain in your name. You're therefore responsible for paying for these services. We'll market your property at a higher figure to compensate you and cover these bills.

1.1.3 We'll prepare a specific short let tenancy agreement on your behalf for the agreed period of time. We charge £250 +VAT for this.

1.1.4 If the tenant stays on in the property beyond the initial short let period, whether on a statutory continuation or otherwise arranged by us, our fee will be 19% + VAT (or £700, whichever is the greater) for the additional period of the rent due for the duration of the occupation.

#### **2.5 DECORATING AND REFURBISHMENT SERVICE**

2.5.1 We'll provide two quotations for schemes from interior designers, furnishers or decorators and submit schemes and quotations to you with our comments and suggestions.

2.5.2 On your instructions, we'll tell the interior designer, furnisher or decorator on your behalf to proceed with the contract, at the agreed figure.

2.5.3 We'll supervise contractors, including arranging access during work hours.

#### **Notes**

In most cases interior design, furnishing and decorating contracts are not accepted unless 50% of the total cost is paid to the contractor in advance. In some cases, they also need progressive payments during the project. So before we accept the contract on your behalf, we'll need funds from you to cover the contractor's full estimated costs. We won't instruct a contractor until those funds have cleared.

We reserve the rights to decline certain instructions. If you agree in writing to employ a professional project manager to oversee the works, any associated costs are your responsibility.

#### **Fees for the decorating and refurbishment service**

Our fee is 10% of the total cost of the works, plus VAT. These fees are payable in stages, with the final balance payable on completion of the works. The minimum fee for this service is £80 plus VAT, which will also be charged if you decide not to proceed after we've obtained the quotations.

### 3 ADDITIONAL FEES:

#### 3.1 Tenancy agreement

For drawing up and inserting any specific clauses after negotiation had been concluded: a fixed fee of £150 plus VAT.

#### 3.2 Couriers

We reserve the right to pass on any charges to you if necessary and incurred in preparing the tenancy agreement or during the period of the tenancy.

#### 3.3 Inventory

You would normally pay for the check-in report, with the cost of the check-out report deducted from the tenant's deposit. If you're letting a new property, you'll also need to pay for 'the make': an in-depth report detailing all the items (furniture/chattels) in the property and their condition. This "make" is used by the clerk to work from when conducting the check-in and check-out.

#### 3.4 Managing during void periods or on Let only properties

If you want us to manage the property and carry out management duties during void periods, we charge £150 (plus VAT) per month. If we are only letting your property, but you have no other management in place and ask us to carry out management services your behalf, we charge of £100 (plus VAT) per hour.

#### 3.5 Attendance at formal proceedings

If we're required to give evidence in court or any such arbitration, we charge of £80 (plus VAT) for each member of staff required.

#### 3.6 Waiting at a property

If a contractor can't collect keys from the office, or a tenant cannot be at the property to carry out essential repairs, and a member of our staff has to be there, we need to make a waiting charge. This also applies to deliveries at the property, if the supplier cannot give an exact time. This charge is £50 per hour, plus VAT, up to a maximum of two hours.

#### 3.7 Accounting service

If you're a non-registered overseas landlords, and need us to compile and make your quarterly returns on your behalf, we charge £250 plus VAT, payable in full at the end of the first quarter.

#### 3.8 Safety regulations

If you've instructed us on a Letting or Letting Plus Rent Collection basis, but then need us to provide a Gas Safe Certificate from a qualified engineer, the cost for this and any remedial works are your responsibility. We also charge an administration fee of £25 plus VAT. **If you choose our Management Service, this administration fee is included in our overall fees.**

If you've instructed us on a Letting or Letting Plus Rent Collection basis, but then need us to provide a NCIEIC certificate from a registered engineer, the cost for this and any remedial works are your responsibility. We also charge an administration fee of £25 plus VAT. **If you choose our Management Service, this administration fee is included in our overall fees.**

### **3.9 Purchases**

If you need us to make purchases on your behalf, we charge for the time spent on arranging this at £50 (plus VAT) per hour.

### **3.10 Consents**

If we need to apply for consent to a lender, superior landlord, insurer or any other interested third party, we charge a fee of £50 (plus VAT).

### **3.11 Copy Documents**

If we're required to provide an additional copy of a document which has already been supplied, we charge £10 (plus VAT).

### **3.12 Major Works**

If you ask us to carry out major works on your behalf (such as redecoration, re-carpeting, replacing bathrooms and kitchens, roof replacement, damp proofing, etc), we'll charge a fee of 10% (plus VAT) of the total costs of the works. Our minimum fee for this is £80 plus VAT, if you decide not to proceed with the works after we have obtained contractors' quotations.

### **3.13 Other Charges**

We reserve the right to deduct from the rent reasonable costs, fees and costs incurred for acting on your behalf during the tenancy.

### **3.14 Transferring Management**

If the property is managed by another company or person, and transferred to our Management Service, we charge a one-off fee of £300 (plus VAT) to familiarise ourselves with the property and its history.

### **3.15 Tenancy Deposit Scheme (TDS)**

We make an administration charge of £15 (plus VAT) for membership of TDS, the resolution service for dealing with deposit returns.

### **3.16 Landlord Withdrawal Fee**

If you decide to withdraw from a proposed tenancy, having accepted a formal offer from a Tenant introduced by us and received approved references, we will charge an administration fee of £500 (plus VAT).

## **4 PRE-INSTRUCTION REQUIREMENTS**

### **4.1 Proof of identity and address**

Before we can act on your behalf, and to comply with money laundering regulations, we need you to provide a copy of either your driving licence or passport, along with a utility bill or bank statement from the last three months, stating your home address.

### **4.2 Proof of Title to the property (or owner's consent)**

By law, we have to be assured that you are the legal owner(s) of the property. The legal owner(s) are the person(s) or similar entity whose name(s) appear on the Property Title held by HM Land Registry. We are not legally allowed to represent a flat or house without the authority of the legal owner or their appointed representative.

### **4.3 Energy Performance Certificate (EPC)**

Since 1 October 2008, you're required to make an EPC available to prospective tenants the first time you let a home. The certificate is valid for 10 years, and is only required for self-contained properties. We can arrange this for you. Just get in touch, or use the credit card authorisation form included later in this document.

#### **By signing this agreement:**

1. You acknowledge that you understand the need to satisfy us that you either own the property or are authorised by the legal owner, before we can act on your behalf.
2. You authorise us to make any checks necessary for us to be sure we're not breaking the law by acting on your behalf.
3. You confirm that you are the legal owner, or instructed by the legal owner to let the property.

## **5 LEGAL REQUIREMENTS**

We're neither lawyers nor accountants. The information we set out in this section is for guidance only. You should seek legal and accountancy advice where appropriate.

### **The right to let**

#### **5.1 Mortgages**

In most cases, if there's a loan or mortgage on a property, you need the lender's permission before the property can be let. It is up to you to get such permission, and we strongly advise you applied for it before the tenancy begins, in case the lender wants to impose any special conditions on the tenancy agreement. The agreement can't be altered once it has been signed by both parties. When you sign your contract with us, you confirm that you have the right to instruct us to let the property. Tenants may ask to see any confirmation from a lender before consenting to proceed with the tenancy.

#### **5.2 Leasehold**

If you hold the property on a leasehold basis, you must also ensure that the letting is allowed under the terms of any superior lease, and whether written permission is required for a sub-let. Again, we strongly advise you do this before the tenancy begins, otherwise you may be in breach of your lease. You should also make sure the tenancy will expire before the expiry of your own lease on the property.

#### **5.3 Insurance**

You must make sure you have contents insurance in place, and keep in touch with your insurer to make sure you're covered at the right levels for possessions, and that your policy is renewed yearly and updated where applicable to make sure it's not void. You must inform us of any conditions imposed by your insurer before the tenancy begins, so we can tell the tenant or include them in the tenancy agreement if necessary. Conditions cannot be imposed on a tenant after the event, which could be a breach of the insurance and make any claims void.

Activities relating to the arrangement of insurance are regulated by the Financial Services and Markets Act 2000. That means our staff cannot arrange or in any other way administer insurance provision. But we can recommend insurance companies who specialise in landlord's insurance.

#### **5.4 Stamp Duty Land Tax**

Under the Finance Act 2003, only the tenant pays Stamp Duty Tax.

#### **5.5 Houses in Multiple Occupation: The Housing Act 2004**

The law relating to Houses in Multiple Occupation (HMOs) under The Housing Act 2004 has changed recently. In summary, where a property is let to at least three Tenants (i.e. three sharers) who share a kitchen or bathroom, we recommend the landlord checks with the relevant Local Authority as they may require mandatory licensing.

Also, if a building is fully converted into self-contained flats, and the conversion work doesn't comply with the building standards of the 1991 Building Regulations, and less than two thirds of the flats are owner-occupied, it's classed as an HMO and may need to be licensed. Again, you must check with the relevant Local Authority.

If you fail to obtain a licence from the relevant Local Authority, you will be fined up to £20,000. You can't begin a tenancy without a licence.

#### **5.6 Housing Health and Safety Regulations System**

Where an HMO is licensed, the property has to be inspected under the Housing Health and Safety Rating System within five years of the licence application for a licence. Also, any Property that is either let, or available to rent, can be inspected under the Housing Health and Safety Rating System. In brief, the inspector visits the property to assess potential hazards like excess cold, or steep staircases. If applicable, he or she will issue a Notice, which you must act on as appropriate.

#### **5.7 The Regulatory Reform (Fire Safety) Order 2005**

This Order came into force on 1 October 2006 and affects HMOs. An HMO must at least have mains-linked smoke detectors in the common areas (ie hallways) and fire blankets and fire extinguishers in the kitchen. Depending on the age and character of the property, it may need further alterations.

Although this order currently only applies to HMOs, we recommend that all properties are fitted with mains-linked smoke detectors, with fire blankets and fire extinguishers in the kitchen.

#### **5.8 Money Laundering**

We comply fully with all legislation regarding money laundering, and so reserve the right to refuse payment of any sums in cash for rents, deposits or any related payments. Cheques are covered by this legislation should suspicions arise. We do not accept any responsibility for any tenancy that doesn't proceed because of our money laundering requirements.

#### **5.9 Electrical safety**

There is no requirement to provide a report, but you must be able to formally demonstrate that all electrical appliances in the property are safe for use. We recommend you carry out a Portable Appliance Test (PAT).

#### **5.10 The Building Regulations 1991**

All properties built since June 1992 must be fitted with mains-operated interlinked smoke detectors/alarms on each floor. This doesn't apply to properties built before that date, but we recommend you consider installing these alarms in any property.

### 5.11 Furniture and Furnishings Act

This Act makes it an offence to supply upholstered furniture and other items in the course of a business unless they comply with what is called the 'cigarette test', 'the match test' and 'the ignitability test', and have a permanent label. This covers all upholstery and upholstered furniture, mattresses, padded bases in head boards, pillows, cushions, children's furniture and any furniture usually used in a garden, like conservatory furniture.

The regulations don't apply to any furniture manufactured before 1 January 1950, unless it has been re-upholstered. The best way to check is to look for labels. If the furniture doesn't have a label, you must establish when and where it was bought, and contact the shop or manufacturer to check if the furniture complies. If you can't be sure, **you must replace it. IT IS ILLEGAL TO LET A PROPERTY WITH FURNITURE THAT DOES NOT COMPLY WITH THESE REGULATIONS.** This applies to all let properties.

### 5.12 Gas Safety GS (installation and use) regulations 1998

These regulations oblige anyone who owns a gas appliance, pipework and installations in property that they let, to make sure the appliance is maintained in safe condition. You must ensure that any such appliance is checked by an approved person, and an appropriate safety certificate is issued, at intervals of **not more than 12 months**. (An approved person is a Gas Safe registered contractor, registered to carry out domestic work and who has been trained and assessed in the relevant elements of the National Accreditation Certificate Scheme.)

You must have the certificate, and have given us a copy, when the tenancy begins, and within 28 days of renewing the certificate (again with a copy to us). If you choose the letting service only, and not the management service, you're responsible for complying with these regulations. Not to do so is a criminal offence. The tenancy cannot begin without the appropriate certificate in place, and copies provided to the relevant parties.

If you instruct us to manage the property, we'll do everything required to obtain the certificates, and add the cost to your account.

### 5.13 Overseas Landlords

In line with the Finance Act 1995, HM Revenue & Customs (HMRC) has introduced a system of self-assessment. All overseas landlords may apply to for a Certificate of Self Assessment so that the remainder of the rent (after any non-related tax deductions) can be paid to them. If you're an overseas landlord, we strongly recommend you apply.

Until you get a certificate is received, and in all other cases, we're required by law to deduct tax at the basic rate (currently 20%) from the net rental income, and pay this on a quarterly basis to HMRC. If you don't apply for the certificate, or are refused self-assessment, we're obliged to submit quarterly returns to HMRC and pay the tax.

We're not qualified accountants, so we recommend you take professional advice on the law from a tax accountant, or consult the HMRC website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

### 5.14 Fees for the Accounting Service

If you're refused self-assessment and we're required to make quarterly returns to HMRC, we charge £200 (plus VAT) per annum for this service, payable in full at the end of the first quarter.

### **5.15 Disability Discrimination Act 1995**

A disabled person has the right to ask a Landlord for reasonable adjustments to a property, so he or she can enjoy the Property and its features as an able-bodied person could. These are temporary adjustments, including changes to wall colour, a portable wheelchair ramp, changes to door handles, doorbells and taps. They can be reversed at the end of the tenancy. You are responsible for the cost of these changes.

### **5.16 The Energy Performance of Buildings Regulations 2007**

By law, any prospective tenant must be given a copy of an Energy Performance Certificate (EPC) produced by an approved Domestic Energy Inspector. Failure to supply one is a criminal offence, punishable by a fine.

We cannot market a Property without its EPC. We have to provide any prospective applicant with an EPC, either when they're given written details of the Property or when they first visit it, whichever comes first. You can get an EPC yourself, or we can do it for you on your instruction, provided the contractor has access to the property. We charge £100 (plus VAT) for this. Any works recommended by the contractor are your responsibility. If you'd like us to arrange an EPC on your behalf, you'll need to provide funds in advance.

### **5.17 Service of Notices**

If the Property has been let under an Assured Shorthold Tenancy, we can serve a Section 21 Notice at your request. The minimum notice period is two months, but you need to allow more time for service of the Notice. Once the Notice expires, you can start proceedings to recover possession of the property. You're not entitled to possession of a property where an Assured Shorthold Tenancy has been granted (even if the fixed term expires) unless this Notice has been served on the tenant, or the Tenant is in breach of the tenancy agreement and you've been granted possession by the Courts.

## **GENERAL**

### **Keys**

If any keys to the property are lost or unaccounted for, or when you let the property to a new tenant, we strongly recommend you change the locks before the tenancy begins. Unless one of our staff leaves the with a note of the property address, we are not liable for any keys lost or unaccounted for, as we have a secure key tagging system. If you ask us to manage your property on your behalf, you must give us a working set of keys and a letter of authority allowing us to obtain duplicate keys for you.

### **Appliances and Equipment**

You must provide all manuals and instructions the tenant needs to operate any appliances and equipment. Please make sure there are in place before a tenancy begins, as we're not qualified to explain how appliances or equipment in the property work.

### **Mail**

We recommend you arrange for all correspondence to be redirected via the Post Office.

### **Value Added Tax**

Value Added Tax (VAT) is added to all our commissions and any other sums or fees payable to us, regardless of where you or the tenant are normally domiciled or resident for tax purposes.

### **Complaints Procedure**

If you'd like a copy of our complaints procedure, please ask.

## **Services**

We may offer services to prospective tenants, or another organisation may offer them services in circumstances that benefit us. We reserve the right to retain any commissions, interest or other sums earned while acting on your behalf.

## **Assignment**

We reserve the right to cancel our obligations under this Agreement upon giving you three months' written notice.

## **Compensation and Reimbursement**

You must reimburse and compensate us for any claim, damage, or liability, whether criminal or civil, suffered from and during the time that we are or were acting on your behalf, unless it is due to our own negligence, breach of contract or other action.

We reserve the right to have work carried out on your behalf, and to charge for that work if necessary to ensure that you fulfil your contractual and statutory obligations as landlord.

## **Acts of Third Parties**

We will not be responsible for any loss or damage suffered through the act, default or negligence of any third party, unless this occurs through our negligence, omission or failure.

## **Variation to Terms and Conditions**

Only a Director of Hudsons is authorised to agree to any variation or addition whatsoever to these Terms and Conditions.

## **Right to Cancel**

If you are a private individual dealing outside your business, please note your rights to cancel this contract, included in the Schedule to these Terms and Conditions. By signing and returning these Terms and Conditions, you're instructing us to work on your behalf straight away. We do not have to wait for the cancellation period to expire. If you subsequently cancel our instructions within the cancellation period, you must pay for any services we've supplied to that point, including any commission fee due.

## **Liability**

Loss or damage caused by our negligence or breach of contract (except deliberate breach) is limited to the higher of £1 million or ten times our commission under this agreement. We do not accept liability for any indirect or consequential loss (such as loss of profits). This limitation does not apply in respect of fraud or death or personal injury caused by our negligence or breach of contract.

You agree not to bring any claim arising out of or in connection with this agreement against any member, employee, 'partner' or consultant of Hudsons (each called a 'Hudsons person'). Those people will not have a personal duty of care to you, and any such claim for losses must be brought against Hudsons itself. Any Hudsons Person may enforce this clause under the Contract (Rights of Third Parties) Act 1999, but these terms may be carried at any time without the consent of any Hudsons Person.

## **Documents**

Although certain documents may legally belong to you, we destroy correspondence and other papers which are more than six years old, except for documents we consider to be of continuing significance. If you want us to retain any particular documents, please let us know in writing.

## **Rights of Third Parties**

Except as set out above, none of the terms of this agreement are enforceable under the Contracts (Rights of Third Parties) Act 1999 by a third party.

## **Interest**

If any invoice remains unpaid after its due date, we reserve the right to charge interest, calculated daily, from the due date until payment is made. Interest will be charged at 4% above the prevailing bank base rate of the Bank of England or (if higher) at the rate provided for under the Late Payment of Commercial Debts (Interest) Act 1998 and its regulations (if applicable). If we need to use legal representatives or collection agents to recover a debt, you will be required to pay all costs and disbursements incurred.

## **Law**

These terms are subject to the laws of England and the exclusive jurisdiction of the courts of England. If a court rules that any provision of these terms is invalid or unenforceable, this won't affect the rest of the terms, which will remain in force.

## **Definitions of Main Terms:**

### **“You”**

is the person or company that has the legal right as freeholder or leaseholder to let the Property.

### **“The tenant”**

is the person or company that rents the property during the term agreed in the tenancy agreement.

### **“The tenancy agreement”**

is the written contract between you and tenant. It sets out the terms of the tenancy, including the rent, and includes any extension or renewal of the original agreement.

### **“Rent”**

is the total sum payable by the tenant to you for the duration of the tenancy, excluding any other bills or expenses such as gas, electricity, telephone and Council Tax, unless otherwise specified. Any premium or consideration in lieu of rent shall be treated as rent.

### **“Commission”**

is our remuneration for letting and, where selected, managing the property. It is a percentage of the rent, payable by you to us for as long as the tenancy continues. If we collect the rent for you, we will deduct our commission from it. If not, you need to pay our commission directly to us.

### **“The Inventory”**

is a detailed check of the contents item by item, noting their condition and also the visual state of the property. It is prepared by an independent inventory clerk.

### **“The Deposit”**

is the sum of money (a minimum of six weeks' rent) lodged with us by the Tenant at the start of the tenancy. It's intended to cover any damage or loss incurred during the tenancy. We hold the deposit as stakeholder according to the terms of the tenancy agreement. The deposit belongs to the tenant, and any balance (after deducting costs, etc) must be returned to him or her once the tenancy ends. If the deposit is insufficient, we'll invoice the Tenant directly on your behalf. For the details of the Tenancy Deposit Scheme, please see below. Deductions can be made from the deposit only with the written consent of both you and the Tenant.

“Stakeholder” means that, as agents, Hudsons or the Tenancy Dispute Service hold the deposit under the terms of the tenancy agreement as principal for both parties.

“The Tenancy”  
is the full period during which the tenant rents the property from you.

“Terms and Conditions”  
means these terms and conditions, including the acceptance form.

“Cancellation Period”  
has the meaning set out in the Schedule to these Terms and Conditions.

“Jointly and severally liable”  
means that each person will be responsible for complying with the obligations and paying all charges and costs under this agreement, both individually and together.

“Tenancy Deposit Scheme”  
We’re a member of the Tenancy Deposit Scheme (TDS), which is administered by The Dispute Service Ltd, PO Box 1255, Hemel Hempstead, Hertfordshire, HPI 9GN, telephone 0845 226 7837, fax 01442 253 193 or email [deposits@tds.gov.com](mailto:deposits@tds.gov.com). If you ask us to hold the Deposit, we shall do so under the terms of the Tenancy Deposit Scheme.

At the end of a tenancy covered by the Tenancy Deposit Scheme:

- i. If there is no dispute, we’ll either keep any deductions agreed where we’ve incurred expenditure on your behalf, or repay the whole or the balance of the deposit, according to the conditions of the tenancy agreement. Once we receive written consent from both you and the tenant, the deposit will be paid within 10 working days.
- ii. If, ten working days after notification of a dispute, after reasonable attempts have been made during that time to resolve any differences of opinion, there’s still an unresolved dispute between you and the tenant over the deposit it will, subject to (iii) below, be submitted to the Independent Case Examiner appointed by TDS (ICE) for adjudication. All parties agree to co-operate with any adjudication.
- iii. If the amount of dispute is over £5,000, you and the tenant agree by signing the tenancy agreement to submit the dispute to formal arbitration, by engaging an arbitrator appointed by the ICE. Although the ICE may at his discretion, and with the written agreement of both parties, accept the dispute for adjudication. The appointment of an arbitrator will incur an administration fee, to be fixed by the Board of The Dispute Service Ltd from time to time, and shared equally between you and the tenant. Liability for any subsequent costs will depend on the award made by the arbitrator.
- iv. Your statutory rights, and those of the tenant, to take legal action against each other remain unaffected.
- v. It’s not compulsory for you to refer the dispute to the ICE. You and the tenant may, if either party chooses to do so, seek the decision of the Court. However, this may take longer and incur further costs. As it’s a condition of the tenancy agreement signed by both parties, Judges may refer the dispute back to the ICE. If you both agree that the dispute should be resolved by the ICE, you must both accept the ICE decision as final and binding.

vi. If there is a dispute, we have to remit the full deposit to The Dispute Service Ltd, less any amounts already agreed by you and the tenant, and paid over. We have to do this within 10 working days of being told that a dispute has been registered, whether or not it is to be contested. If we don't, we'll delay the adjudication. The Dispute Service Ltd will take appropriate action to recover the deposit and discipline us. We must co-operate with the ICE in the adjudication of the dispute, and follow any recommendations concerning the method of the resolution of the dispute.

If it's agreed that you will hold the deposit, and if the tenancy is an Assured Shorthold Tenancy, you must tell us Tenancy Deposit Protection Scheme the Deposit will be covered by, before the tenancy begins.

If the deposit is covered by Tenancy Deposit Solutions, you must provide proof of membership and a copy of the insurance policy before the deposit can be released.

If the deposit is to be sent to the Deposit Protection Service (DPS) custodial scheme, we'll give you a cheque for the amount of the deposit made payable to the DPS for you to forward to them within 9 days. If you don't, the tenant can take legal action against you in the County Court. The Court will make an order stating that the deposit must be paid back to the tenant, or lodged with Deposit Protection Scheme. Another order will be made requiring you to pay compensation to the tenant of an amount equal to three times the deposit. You won't be able to serve a Section 21 Notice on the tenant until you have complied with these conditions, and the Court will not grant you a possession order. We are not liable for any loss suffered if you fail to comply.

You warrant that all the information you provide to us is correct to the best of your knowledge and belief. In the event that you provide incorrect information to us, which causes us to suffer loss or causes legal proceedings to be taken, you agree to reimburse and compensate us for all losses suffered.

We make an administrative charge for access to this dispute resolution facility of £15 (plus VAT) per tenancy per annum.

### **Acceptance of Hudsons Terms and Conditions**

We want to be sure you fully understand our standard terms of business. If you don't understand, or don't wish to accept any of these terms, please tell us. We're happy to discuss them with you. Otherwise please sign the shortened version of these terms available from Hudsons to proceed with your property rental.