



HUDSONS

# Landlord Terms of Business

For managed and non-managed properties



# Landlord Terms of Business

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# Landlord Terms of Business

## I.0 Definitions

### **Our/us/we**

Relates to Hudsons Limited, 24 Charlotte Street, London, W1T 2ND Registered No. 04466349

### **Landlord/you/your**

Means the person who has the legal right to let the Property and to whom the Property will go back to at the end of the Tenancy.

### **Tenant**

Means the person who has legal entitlement to reside at the Property under the terms of the Tenancy Agreement.

### **Tenancy Agreement**

Means the agreement between the Landlord and the Tenant setting out the terms and conditions of the Tenancy.

### **Tenancy**

Means the full period stated in the Tenancy Agreement, and any renewal, extension or periodic (ongoing) continuation.

### **Property**

Means any part or parts of the building boundaries fences garden and outbuildings belonging to the Landlord at the Property address. When the Property is part of a larger building the Property includes the use of common access ways and facilities.

### **Person**

This includes individuals, partnerships and bodies corporate or non-corporate.

### **Deposit**

Monies paid by the Tenant to be held as security against any damages to the Property or other breaches of the Tenancy Agreement.

### **Stakeholder**

Which means that the Deposit is held by Hudsons Limited as an independent party, and at the end of the Tenancy both the Landlord and Tenant must consent in writing to any deductions being made from the deposit monies.

### **Superior Landlord**

Means the person whom the Landlord has leased the Property from, if applicable.

### **Head Lease**

Means the Landlord's Agreement with the Superior Landlord.

### **TDS/ICE**

The Dispute Service/Independent Case Examiner.

### **Initial Term**

Means the first fixed period tenancy which the Landlord and Tenant have entered into.

### **Periodic**

Means a tenancy which is continued after the fixed term has expired and will continue from period to period until either party gives Notice according to the terms of the Notice clause in the Agreement or statute if applicable.

Unless the context otherwise requires, references to one gender shall be deemed to include the other; and references to the singular shall be deemed to include the plural.

### **Value-added Tax (VAT)**

Based on the current VAT level at the time of publishing.



# Landlord Terms of Business

## 2.0 Our charges

The Landlord should read the Terms of Business carefully and in particular this Section which clearly sets out the Fees and other charges including any renewal, extension or continuation of the Tenancy either as a fixed term or a periodic tenancy which will be payable by a Landlord whether or not we are instructed to act on your behalf.

Please ensure you are certain of the meaning of the charges you will incur.

By signing this Agreement, the Landlord gives Hudsons Limited the authority to deduct our fees, expenses and any other costs from any monies belonging to the Landlord or any deductions from the Deposit agreed by the Tenant for any Property of the Landlord where we are or were acting on the Landlord's behalf.

As contained in our current Acceptance of Terms of business, we offer three types of letting services which will be agreed upon signing the Terms of business, depending on your personal needs. These are outlined below:

### 2.1 Standard Value Service

**Our letting fee for the Standard Value Service is 10% + VAT (12% inc VAT) and includes the following services:**

- Full Marketing, Rightmove, Zoopla, Hudsons Website, Social Media
- Professional Photography, floorplans, bespoke video, virtual tour
- Right To Rent Checks
- Preferred international rates for international rent transfers
- Rent Collection and chasing of arrears

### 2.2 Protection Service

**Our letting fee for the Protection Service is 14% + VAT (16.8% inc VAT), which includes the following services:**

- Full Marketing, Rightmove, Zoopla, Hudsons Website, Social Media
- Professional Photography, floorplans, bespoke video, virtual tour
- Right To Rent Checks
- Preferred international rates for international rent transfers
- Rent Collection and chasing of arrears
- Deposit Protection
- Transfer of Utilities
- Drafting of Tenancy Agreement and any renewal agreement
- 0% Finance (subject to availability) for Hudsons Home Styling and Consultancy
- Key Holding
- End of tenancy inventory analysis and deposit deduction analysis
- Management of tenancy during office hours
- One Annual Inspection of property with report
- Serving Section 21 notices



## Landlord Terms of Business

### 2.3 Premium Full Protection Service

Our letting fee for the Premium Service is 16% + VAT (19.2% inc VAT), which includes the following services:

- Full Marketing, Rightmove, Zoopla, Hudsons Website, Social Media
- Professional Photography, floorplans, bespoke video, virtual tour
- Right To Rent Checks
- Preferred international rates for international rent transfers
- Comprehensive Tenant Referencing
- Rent Collection and chasing of arrears
- Deposit Protection
- Transfer of Utilities
- Drafting of Tenancy Agreement and any renewal agreement
- 0% Finance (subject to availability) for Hudsons Home Styling and Consultancy
- Key Holding
- End of tenancy inventory analysis and deposit deduction analysis
- Management of tenancy during office hours
- Two Annual Inspections of property with reports
- Management of tenancy, all repairs and tenant contact including out of hours call outs
- Management of HMO license Application (Not including local authority fee)
- Submission of dispute to TDS
- Annual Statement
- Complimentary Electrical Installation Condition Report (does not include any remedial works)
- Complimentary Gas safety certificate
- Complimentary Energy Performance Certificate
- Serving Section 21 notices



## Landlord Terms of Business

### 2.4 Services

Please see below the services included under each lettings service (Standard Value, Protection, Premium Full Protection) and the optional extra paid services available, at an additional cost:

✓ = Services included                      x = Optional extra paid services

	Cost (inc VAT)	Standard Value	Protection	Premium Full Protection
Deposit Protection	£60	x	✓	✓
Transfer of Utilities	£75	x	✓	✓
Drafting of Tenancy Agreement	£180	x	✓	✓
Consultancy on dressing service and refurbishment	£500	x	✓	✓
Key Holding	£150	x	✓	✓
End of tenancy inventory analysis and deposit deduction analysis	£500	x	✓	✓
Management of tenancy during office hours	£1,500	x	✓	✓
1x Annual Inspection	£200	x	✓	x
2x Annual Inspections	£200 (per visit)	x	x	✓
Management of tenancy, all repairs and tenant contact including out of hours call outs	£2,500	x	✓	✓
Serving Section 21 Notices	£100	x	✓	✓
Comprehensive Tenant Referencing	£75 (per tenant)	x	x	✓
HMO license Application (Not including local authority fee)	£420	x	x	✓
Submission of dispute to TDS	£300	x	x	✓
Annual Statement	£150	x	x	✓
Electrical Installation Report	From £175	x	x	✓
Gas Safety Certificate	£150	x	x	✓
Energy Performance Certificate	From £100	x	x	✓
Legionella Risk Assessment	POA	x	x	x
Inventory Report	From £195	x	x	x
Installation of Smoke Detectors	£75	x	x	x
Installation of Carbon Monoxide Detectors	£75	x	x	x
Professional Clean	From £190	x	x	x
Out of hours contractors call out (in addition to contractor's fee)	£150 (per call out management charge)	N/A	x	x



# Landlord Terms of Business

## 2.5 How our fees are processed

Upon finding a Tenant for periods greater than six months (whether directly or indirectly) who is accepted by the Landlord, or whom the Landlord has given us authority to accept on their behalf, and who takes up a Tenancy, our fee will be charged as follows.

- Our letting fee is charged including VAT as percentage of the total gross rent payable over the initial term of the Tenancy. Our fees are payable in full and in advance and are taken along with any expenditure from the initial rent/s received.
- If the rent is to be collected by the Landlord then all fees and expenditure are to be settled by invoice before the commencement of the tenancy. We will always collect the deposit and first instalment of rent and will deduct fees from this amount.
- The fee is subject to a minimum fee of £1,200 including VAT.
- Where the term of the letting is for a period of less than six months, please see clause 2.4.
- Fees taken in advance are only refundable if the Tenant or Landlord exercises their break clause under the terms of their Tenancy Agreement subject to our minimum fee as stated above. The refund will be calculated on a pro rata basis from the date the Tenant's or landlords notice expires for the remainder of the fixed period as stated in the Tenancy Agreement, the refund will be settled once the Tenant has vacated the property. If the Landlord allows the Tenant to leave prior to the date of the expiration of the notice under the break clause, fees are only refundable from the earliest date of the Tenancy Agreement's break clause onwards.

## 2.6 Renewal fee

In the event the Tenant (or any other person, company or organisation associated or connected directly with the original Tenant) introduced by us, remains in the property after the expiry of the initial fixed term, we will charge a fee, including VAT, as a percentage of all rent payable by the Tenant for the whole period of the continued tenancy.

A renewal fee is payable whether or not any extension period (new fixed term, statutory periodic or extension to the original term) is negotiated by Hudsons. If a Tenant remains in situ outside of a fixed term our fees are to be paid quarterly in arrears and settled at the expiry of each period.

## 2.7 Short letting fee

Upon finding a Tenant (whether directly or indirectly) who is acceptable by the Landlord or whom the Landlord has given authority to accept on their behalf, and who takes up a short term tenancy for a term not exceeding six calendar months, our fee of 24% including VAT will be charged for the total gross rent payable including any extensions or renewals.

## 2.8 Additional charges

As contained in our current schedule of additional charges. These charges apply on a case by case basis and where applicable to individual tenancies.

## 2.9 Sales commission

### To an existing Tenant

In the event of a party introduced by us, including a Tenant (or person or corporate body associated with that party) subsequently purchasing the Property, whether before or after entering into a Tenancy Agreement, our company, will be due a fee of 1.8% including VAT of the purchase price. In order to secure the best price for the Property the Landlord may use the expert advice of our residential sales service included in this sale fee, but should the Landlord choose to agree a price with a party introduced by us without taking our further advice the sales fee will still be due. Our sale fee will become due on exchange of contracts of the sale, and full details of agency Terms of Business for the sale of the Property are available upon request and will be forwarded to you at the point at which the Tenant express an interest to purchase.



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### **To a New Landlord**

Where the Property is sold, transferred or otherwise dealt with, with the benefit of the Tenancy, Hudsons fee remains the responsibility of the original Landlord for the remainder of the original Tenancy term, irrespective of whether negotiations were carried out by Hudsons Limited. Our fees remain due from the original owner unless the Tenancy Agreement ends, see 5.1.

### **2.10 Interest**

Our fees become payable on demand, as and when they fall due. We reserve the right to charge interest on any amounts still outstanding 44 (forty four) days after invoice. The prescribed rate of 'statutory interest' shall be 8% per annum over and above the prevailing Bank of England Base Rate. If this clause is being invoked, interest will be charged from the date upon which the fees become due.





### 3.0 Hudson's Letting Process

#### 3.1 Standard Value, Protection, Premium Full Protection Services

Upon receipt of the Landlord's instructions to let the Property, we will:

- Receive one set of keys at the time of instruction (or as soon as is reasonably practicable), or confirmed access arrangements to enable us to commence viewings.
- Include the details of your Property on our rental list.
- Advertise in local and national newspapers at our discretion.
- Have internal/external photographs taken at our discretion.
- Unless otherwise agreed with the client, erect a board at our own expense outside the Property provided this complies with the local authority regulations and lease provisions.
- If appropriate, we will circulate details of the Property to relocation agents and major corporate occupiers in and around London. We will also offer the Property to current or prospective Tenants on our database.
- Display the Property in our shop front window (if appropriate).
- Advertise the details on our Website and launch an online marketing campaign to include internet property portals.
- If specialist advertising is required, the landlord will be responsible for these additional costs, as agreed between the parties at the time of instruction.
- Make arrangements for prospective Tenants to view the Property and meet them at the Property unless otherwise agreed with the Landlord.
- Provide the Landlord with regular feedback and updates by phone and email and inform the Landlord of all interested parties and all offers received from prospective Tenants.
- Negotiate with the prospective Tenant on behalf of the Landlord and put forward all offers to the Landlord.
- Arrange for Gas/Electrical/Furniture & Furnishings, EPC certificates (if required/applicable) subject to advanced payment from the Landlord for this service.
- We will provide information in order for the tenant to notify the relevant Council Tax department at the commencement of the tenancy. The Landlord will be required to organise the change of occupants at the end of each Tenancy with the utility companies and the Council tax departments.
- Apply for and take up of references (payable by the Landlord) through a credit reference agency unless specifically instructed not to by the Landlord.
- Collect the rent if instructed under Standard Value, Protection and Premium Full Protection.
- We will not accept any responsibility for the accuracy of the references, except where we have been negligent or in breach of contract. Whilst we make every endeavor to select the most suitable applicant, ultimate responsibility for the selection of the tenant rests with the landlord. Nor do we accept responsibility for selecting or accepting prospective Tenants. The Landlord should satisfy himself as to the credit worthiness of the prospective Tenant prior to the start of the tenancy. Hudsons will provide copies of all references prior to the commencement of the tenancy upon request.
- Subject to your instruction for Hudsons to provide a Tenancy Agreement, we will draw up a draft Tenancy Agreement and provide a copy to the prospective Tenant and Landlord. This will be charged in accordance with our standard scale of fees.
- Arrange for a comprehensive inventory make to be prepared before the start of the Tenancy (payable by the Landlord). We will not accept any responsibility for the accuracy of the inventory, except where there has been negligence or breach of contract on our part.
- Arrange for the inventory to be sent to the Tenant and Landlord at the start of the Tenancy and re-checked at the end of the Tenancy at the Tenants expense.



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- Arrange the collection and holding of the security deposit in a separate client account. The deposit will be registered and kept in accordance with the TDS (Tenancy Deposit Scheme) unless advised otherwise.
- Arrange for keys to be handed over to the Tenant at the start of the Tenancy provided that cleared funds have been received before the date of commencement of the Tenancy. If sufficient sets of keys or access fobs are not provided at the start of the tenancy, the Landlord will be liable for the cost of any key/fobs which we need to arrange.
- Hudsons will demand the first rental payment and subsequent payments on the rent due dates as per the Tenancy Agreement. We will advise the tenant to set up a standing order to ensure that rent is paid on time by bank transfer.
- Administer the rent collection for the duration of the Tenancy. We do not guarantee that the rent will be paid by the Tenant and any action that the Landlord subsequently takes to recover any unpaid rent is undertaken entirely at his own expense. The Landlord should arrange a facility with his bank to cover outgoings should the rent not be paid.
- Operate a rent arrears process should rent not have been received within 14 days of the rent due date. This will consist of a series of phone calls, emails and written letters.
- The incoming rent (whether payable monthly, quarterly, six monthly) will be monitored and received by Hudsons and paid over to the Landlord as soon as practicable. Whilst we make every effort to transfer rent to the Landlord as soon as possible, present banking arrangements are such that an allowance of up to 10 working days for rent monies to be cleared before transferring monies to the clients account should be made. The Landlord should make arrangements with his own bank regarding any outgoings as we will not be liable for any bank charges incurred unless due to our negligence or breach of contract.
- Prepare and submit financial statements each time income is received or when there is expenditure on the account. All statements will be sent out by email.
- If a Tenant fails to pay the rent on time or if Hudsons becomes aware of any other breach of the Tenancy Agreement, we will inform the Landlord. If it is necessary to instruct solicitors, the Landlord should choose and instruct his own and will be responsible for all fees incurred. Hudsons are not liable for unpaid rent unless due to our negligence or being in breach of contract.
- Whilst Hudsons arrange for the referencing of the Tenants prior to move in, the Landlord accepts that in the event of continuing rental arrears from the Tenant, any further legal action is the responsibility of the Landlord, not Hudsons.
- Upon written request of the Landlord to serve a Section 21 Notice (AST only) on the Tenant to bring to an end the Tenancy or any renewal or extension. A separate fee applies to this service. Please see our standard fee scale.
- Upon receipt of the Tenant's written notice to end a Tenancy, Hudsons will confirm the end of Tenancy arrangements to both parties. If the Landlord fails to provide Hudsons with new instructions, then Hudsons may commence re-marketing of the Landlord's Property. In this instance, it is good practice to serve a Section 21 Notice (AST only) to ensure vacant possession at the end of the notice period given by the Tenant.
- Depending on the service provided (excluding the Standard Service), once the Tenancy has ended, Hudsons will act as the Landlord liaison for the deposit return with the Tenant. Any proposed dilapidations will be discussed by us with the Tenant. Any agreed sums from the deposit monies will be returned once confirmation has been received in writing from all parties to the Tenancy Agreement.
- Return the deposit to the Tenant at the end of the Tenancy subject to any deduction.
- Undertake necessary checks under the requirements of the Right to Rent scheme as described in Immigration Act 2014 and Immigration Bill 2015. In the case of the landlord being a company, then it is agreed that the onus and responsibility for conducting these checks will rest with the landlord (unless specifically agreed in writing).



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### 3.2 Protection and Premium Protection Services

A property manager will visit your property before the start of each new Tenancy where void times allow, to ensure that it is clean and ready for the new incoming Tenant. They will also endeavor to make sure that there are no immediate issues with the property which could prevent the Tenant from taking occupation.

- Hudsons will endeavor to visit the Property once a year under the Protection Service and twice a year under the Premium Full Protection Service, for purpose of identifying visible defects and to ascertain that the property is being sufficiently maintained. Such visits are not a structural survey or inventory check and Hudsons will not undertake to identify hidden or latent defects. Hudsons will provide the Landlord with an email report with accompanying images of our findings. Any additional property inspections may incur a fee. These inspections are only possible if the Tenant grants access. If for any reason access is denied the Landlord will be informed.
- Arrange for an annual Landlord's Gas Safety Certificate to be made by a Gas Safe Registered engineer. A copy will be made available to both you and the tenant of the property. The charge for this service is shown in our schedule of fees.
- From the 1st of January 2013, any gas boiler flue which is located in void areas such as concealed walls or ceilings will need to have inspection hatches fitted for essential checks and your boiler will not pass its gas safety certificate without this. We can arrange for this work to be carried out by a qualified Gas Safe engineer, simply advise us if you require a tailored quote for this work.
- If requested, arrange an Electrical Safety Test to be carried out on the property to include portable appliances, static appliances, plugs, sockets and wiring. The charge for this service is shown in our schedule of fees.
- Investigate all defects reported by the tenant and where necessary visit the property to identify the issue. Unless otherwise agreed in writing, in entering into this agreement, the landlord authorises Hudsons to act on their behalf for all minor works up to £500. Hudsons will seek approval for all repair/maintenance costs which exceed £500.
- The Landlord undertakes to keep Hudsons in funds subject to a minimum float of £500 (five hundred pounds) and subject to variation depending on the size of the Property and on any bills which may be due. Hudsons cannot undertake to meet any outgoings beyond the available funds on account. If funds are required for any property related issue the float will be topped back up to £500 from the next received rental payment, subject to how the rent is received.
- Estimates will be obtained by Hudsons for consideration by the Landlord for any major repairs or maintenance over £500 and submitted for approval prior to the commencement of the works. We will not be liable for loss or damage due to insufficient funds unless due to our negligence or breach of contract.
- Hudsons will inspect all major works carried out by its contractors and will not authorise any invoice for payment until the work has met the required standard for our Property Managers.
- All works undertaken must be settled in full by the Landlord within 30 days of the invoice being submitted. If rent is due and there is no outstanding fees owed to Hudsons then the rental monies can be used against such invoices.
- In emergencies Hudsons will act to protect the Landlord's interests without consultation in order to mitigate damage to the property and we reserve the right to use our judgement in this regard. We will pay all reasonable bills and demands. By signing this Agreement, the Landlord is authorising Hudsons to do this up to the limit of the monies held on account. The Landlord will need to pay any additional funds required to Hudsons immediately on presentation of invoice. Please note that the services included differ on the Full and Premium Protection Services, please refer to the Service chart.

### 3.3 Renewal Service

Before the end of the initial and subsequent fixed term/s we will contact the Landlord to find out if the Tenancy should be renewed and upon receipt of your instructions, we will do the following:

- Assess the rent and advise you of current market conditions and if an increase in rent is possible.
- Establish if there have been any problems with the Property or the tenancy by checking with the Tenant and our Property Management department where we manage the property. This service is not included within the Standard Value Service.
- Once we have your instructions we will contact the Tenant to ask if they wish to renew the Tenancy and advise them of any change in rent.



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- We will negotiate between the Landlord and the Tenant and prepare extension documents, which will take the form of a new Tenancy Agreement, including any variation of the terms of the original Tenancy Agreement.
- If the Tenant or the Landlord does not return the new Tenancy Agreement, the Tenancy will enter into a Periodic Tenancy until either party gives notice in writing and our fees will remain payable. Where the Landlord and/or Tenant allow the Tenancy to become a Periodic, our renewal fee is due and we will continue to take the Landlord's Instructions over that period. Fees are due quarterly in advance and must be settled within 30 days of that period ending. Any fees due for refund will be calculated and returned on a pro-rata basis.
- Once we have received the signed extension paperwork we will execute and exchange the documents.

If you do not wish to offer the Tenant a new term or an extension to the existing term you must inform us in writing at least 10 weeks before the end of the fixed term of Tenancy. This will allow sufficient time to serve the relevant Notice on the Tenant unless you instruct us otherwise. The Landlord will be liable to pay Hudsons renewal commission whether or not the renewal is negotiated by Hudsons as shown in Renewal Fees.

### 3.4 Void Period Management Service

- If the Landlord requires the Property to be managed during void periods Hudsons charge a fee of £360.00 including VAT per month and the provision of services will have to be individually negotiated and agreed in writing. No repairs or refurbishment can be undertaken unless Hudsons holds sufficient funds.
- If Hudsons manage the Landlord's Property during a void period we cannot be held liable for any damage including that caused by fire, flood, malicious acts, storm, explosion, impact by any cause or theft unless we have been negligent or acted in breach of contract.
- Should the Landlord require supplies to be turned off during the void period, please note we cannot disconnect the services. Hudsons must receive formal notification in writing to this effect. The Landlord is further advised to contact his insurance company should the Property be empty for longer than 28 days or any period specified in their insurance policy. Unless specifically agreed beforehand, Hudsons cannot be held responsible for the landlord's compliance with the unoccupancy conditions of their property insurance.
- Where necessary and with the agreement of the landlord, Hudsons will purchase or arrange to have purchased items for the Property.
- Where Hudsons are not managing the Property, the Landlord must provide the Tenant with copies of any management contracts, guarantees etc. and provide an address of a 3rd party who can act on the Landlord's behalf if he is not available at any time during the Tenancy.
- Hudsons can arrange decorative works, the supply and fitting of carpets, curtains and blinds and also the provision of furniture. We will endeavor to source two estimates, which will be disclosed and agreed in writing with the Landlord prior to the works being started. The Landlord shall provide Hudsons with sufficient funds to settle the full costs prior to the works being commissioned on your behalf. We will not be liable for loss or damage due to insufficient funds unless due to negligence or breach of contract.

### 3.5 Short Letting Service

- A short let is a tenancy term of less than 6 months. Upon receipt of the Landlord's instructions, we shall undertake the Lettings and Marketing Service outlined in clause 3.1 in order to seek a Tenant for a term of less than 6 months. Before entering into any short let agreement, the landlord must ensure that the relevant permission is sought from the freeholder or superior landlord (if applicable) and local authority. It is the landlord's responsibility to pay for all utility bills including gas, electricity, water, council tax, TV licence and Wi-Fi. It is the tenant's responsibility to pay for the telephone call charges. This service is charged at 24% including VAT.

### 3.6 Parking Space or Garage Letting Service

- Upon receipt of the Landlord's instructions, we shall undertake the Lettings and Marketing Service outlined in clause 3.1 in order to seek a Tenant for a designated private parking space or garage. A suitable contract shall be drawn up by us and a deposit taken to cover the replacement cost of any access fob or keys. This service is charged at 15% including VAT.



## Landlord Terms of Business

### 4.0 General information

#### 4.1 Tenancy agreements and notices

Hudsons has implemented electronic signing into their systems and will use the Adobe Sign platform where possible to send out tenancy agreements and other documentation which requires the Landlord and/or Tenants to sign. Electronic signing is admissible in court and the Adobe Sign platform complies with UK and EU laws. Hudsons will endeavor to send all other relevant documentation relating to the letting and managing of the property by email, paper copies of all documentation will be available on request.

If after receiving satisfactory references, the Landlord subsequently withdraws his instruction, he will be required to cover any administrative expenses incurred by us on his behalf in the intervening period.

##### **Assured Shorthold Tenancy**

If the applicant is an individual or group of individuals, residing in the Property as their main and principal place of residence, and the rent is under £100,000 per year (or whichever level of rent the Housing Act 1988 stipulates at the commencement of a Tenancy), then we will use an Assured Shorthold Tenancy Agreement. There is no longer a minimum period for such lettings. However, if the Tenant fails to surrender possession at the expiry of the term, a

Section 21 Notice (a possession order) will need to be served on the Tenant. No order can expire within the first 6 months of a Tenancy commencing.

##### **Common Law – Non Housing Act 1988**

If the rent payable is £100,000 or more per year or at a proportionate level for a shorter tenancy, then a Non Housing Act 1988 Tenancy Agreement will be used. Although this is not governed by the Housing Act 1988 it is nevertheless subject to other statutory regulations (e.g. Protection from Eviction Act 1977) which means that you must obtain a possession order from the County Court before a Tenant can be evicted. In this instance, a tenant may be liable for Stamp Duty charges.

##### **Company Lets**

If the prospective Tenant is a Company then a Non Housing Act 1988 Tenancy Agreement will be required. A "Company" Let may involve more pre-contract negotiation. There are no rent restrictions. Companies may request an option to renew which would bind the Landlord to a longer tenancy if the Tenant wished to renew after the first term. If there is an option to renew, the Landlord has no right to legally terminate the tenancy at the end of the first term.

##### **Tenancy Agreement**

Unless otherwise instructed, we will prepare a comprehensive Tenancy Agreement to meet your specific requirements in respect of all lettings and charge a fee in accordance with our standard scale of fees and charges.

##### **Notice to end the tenancy**

If the Landlord requires the Tenant to be served with a Notice other than a Section 21 Notice, to end the Tenancy, we require written instructions at least 10 weeks prior to the vacant possession date. If Hudsons undertake this service then we will charge in accordance with our standard scale of fees and charges.

#### 4.2 Inventories

It is essential to have a detailed inventory of the Property, contents, fixtures and fittings and their condition.

Without an inventory and schedule of condition, the Landlord may not be entitled to deduct monies from the Tenant's deposit to cover the damage. He will be unable to prove the existence and condition of the damaged item at the start of the Tenancy.

Unless otherwise requested, we will instruct on the Landlord's behalf for an inventory make and check-in to be prepared. Please see the attached schedule of costs.

Under an AST the Landlord is responsible for both the check in and checkout report costs. Under a Non Housing Act tenancy the cost is generally shared between both parties with the landlord paying the check in and the tenant paying the check out.



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### 4.3 Deposits and dilapidations

#### Deposit

Regardless of the type of Tenancy, the Tenant will be asked to pay a minimum of five weeks rent as a deposit which will be held by us as stakeholder in our deposit client account. Where the proposed Tenant is a Company, a Letter of Guarantee, or Promissory Letter, may be offered by the Tenant instead of a cash deposit. An alternative amount may be negotiated in the case of a short let to reflect the short time period and possible premium rent achieved. We would inform the Landlord in this event and the Landlord's consent and acceptance would be sought prior to the Tenancy commencing.

#### Disputes on deposits - Assured Shorthold Tenancies

Hudsons comply with the Housing Act 1988 and are members of The Dispute Service (TDS), which is administered by

*The Dispute Service Ltd*

*First floor, West Wing, Maylands Building,*

*Maylands Ave, Hemel Hempstead Industrial Estate,*

*Hemel Hempstead, HP2 7TG*

*T - 03000 037 1000*

*E - [deposits@tenancydepositscheme.com](mailto:deposits@tenancydepositscheme.com)*

*W - [www.thedisputeservice.co.uk](http://www.thedisputeservice.co.uk)*

If we are instructed by the Landlord to hold the Deposit, we shall do so under the terms of The Dispute Service.

At the end of the tenancy covered by The Dispute Service, if there is no dispute we will keep any amounts agreed as deductions where expenditure has been incurred on behalf of the Landlord, or repay the whole or the balance of the Deposit according to the conditions of the Tenancy Agreement with the Landlord and the Tenant. Payment of the Deposit will be made within 30 working days of written consent from both parties. If, after 30 working days (or such other period as agreed) following notification of a dispute to us and reasonable attempts having been made in that time to resolve any differences of opinion, there remains an unresolved dispute between the Landlord and the Tenant over the allocation of the Deposit it will be submitted to the TDS for adjudication. All parties agree to cooperate with any adjudication. The statutory rights of either you, the Landlord or the Tenant(s) to take legal action against the other party remain unaffected.

It is not compulsory for the parties to refer the dispute to the TDS for adjudication. The parties may, if either party chooses to do so, seek the decision of the Court. However, this process may take longer and may incur further costs. Since it is a condition of the Tenancy Agreement signed by both parties, judges may refer the dispute back to the TDS for adjudication. If the parties do agree that the dispute should be resolved by the TDS, they must accept the decision of the TDS as final and binding. If there is a dispute we must remit to The Dispute Service Ltd the full deposit, less any amounts already agreed by the parties and paid over to them. This must be done within 30 working days of being told that a dispute has been registered whether or not you or we want to contest it. Failure to do so will not delay the adjudication but The Dispute Service Ltd will take appropriate action to recover the deposit and discipline us. We must cooperate with the TDS in the adjudication of the dispute and follow any recommendations concerning the method of the resolution of the dispute.

Hudsons make an administration charge to Landlords as detailed under Additional Charges for membership of an approved ARLA Tenancy Deposit Scheme, currently The Dispute Service, but we reserve the right to change membership to a similar ARLA approved provider at our discretion.

Hudsons do not negotiate at the end of a Tenancy regarding deductions from the Deposit if the Property is not managed. If requested by a Landlord in writing and subject to agreeing an appropriate fee Hudsons will negotiate to endeavor to reach a settlement.





## Landlord Terms of Business

### Disputes on deposits held - Non Housing Act Tenancies

Where the Property is a Non Housing Act Tenancy, the Independent Case Examiner (ICE) may agree to resolve any disputes over the allocation of these deposits, by arrangement. If he does, the ICE will propose what he considers the most effective method of resolving the dispute. The Landlord and the Tenant must consent in writing to his proposal. Disputes will be subject to a fee of £500.00 plus VAT, or 10% of the deposit plus VAT, whichever is the greater; and this cost is charged by the TDS. The resolution process will not start until the parties' consent, the disputed amount and the fee have been submitted.

### Incorrect information

The Landlord warrants that all the information he has provided to Hudsons is correct to the best of his knowledge and belief. In the event that the Landlord provides incorrect information to us which causes us to suffer loss or causes legal proceedings to be taken the Landlord agrees to reimburse and compensate us for all losses suffered.

### Deposits held by the Landlord

If the Landlord decide(s) to hold the Deposit in relation to an Assured Shorthold Tenancy, we will transfer it to you within 5 days of receiving it. The Landlord must then register it with an appropriate Tenancy Deposit Protection Scheme within a further 9 days if the Tenancy is an Assured Shorthold Tenancy. If the Landlord fails to do so the Tenant can take legal action against the Landlord in the County Court. The Court will make an order stating that the Landlord must pay the Deposit back to the Tenant or lodge it with the custodial scheme which is known as the Deposit Protection Service. In addition, a further order will be made requiring the Landlord to pay compensation to the Tenant of an amount equal up to three times the Deposit. The Landlord will be unable to serve a Section 21 Notice on the Tenant until compliance with the above conditions and the Court will not grant the Landlord a possession order.

Should the Landlord register the deposit with another Tenancy Deposit Scheme a copy of the Certificate must be provided to Hudsons. Hudsons will require proof that a landlord is a registered member of a deposit scheme. Hudsons has no liability for any loss suffered if the Landlord fails to comply.

## 4.4 Legislation for lettings

All Landlords must ensure that they are fully aware of their legal responsibilities at Law. Full details of each of the following legislations can be found in Hudsons "Lettings and Property Management Guide for Landlords" which is available upon request. For guidance, the list includes but is not restricted to:

- Statutory Obligations under the Landlord and Tenant Act 1985
- Gas Safety (Installation and use) Regulations 1998
- The Furniture and Furnishings (Fire) (Safety) Regulations 1993
- Electrical Equipment (Safety) Regulations 1994
- Part P Building Regulations (Electrical Safety in Dwellings) 2005
- Smoke Alarms - Smoke Detection Act 1991
- The Smoke and Carbon Monoxide Alarm (England) Regulations 2015
- The Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007
- Section 47 and 48 of the Landlord and Tenant Act 1987
- Data Protection Act 1998
- The Regulatory Reform (Fire Safety) Order 2005
- Health and Safety at Work etc Act 1974
- Equality Act 2010
- Anti Money Laundering
- European Standards for Safety of Internal Window Blinds
- Data Protection Act 1998



## Landlord Terms of Business

Hudsons can arrange your safety certificates on your behalf, upon receipt of monies from the Landlord (either by cleared funds in advance, or from the rent received by us from the Tenant.) The costs for the Safety Certificates are set out under our scale of charges.

As from October 1st 2008 all properties going on the market for letting must have an Energy Performance Certificate (EPC).

A copy must be given to the Tenant with written details or prior to the first viewing. The Landlord must provide us with an EPC when first giving instructions. The Property cannot be marketed without an EPC. We can arrange an EPC subject to the charge shown in our scale of charges.

### 4.5 Utilities

Prior to the commencement of a Tenancy, the Landlord should provide us with the contact and account details of all the current utility providers. This information will be forwarded to the Tenant at the time of the check in.

Unless otherwise notified, in signing this agreement, the Landlord consents to us passing their details to our approved utilities broker. Where appropriate, the utilities broker will deal with the transfer of the utilities to the tenant and then back to the name of the landlord in the event of an extended void period.

It should be noted that utility companies will not accept Hudsons instructions on behalf of the Landlord or Tenant to change account names.

Where a utilities broker is not used, the Landlord will be required to contact the utility companies directly at the end of each Tenancy. It is the Tenant's contractual obligation to advise the utility companies of their occupation of the Property.

Where possible, the inventory clerk will note meter readings at the commencement and termination of the Tenancy, which will then be detailed on the relevant check-in/check-out reports.

We take no responsibility for any utility account.

### 4.6 Consent to letting

Before commencing any Tenancy, the Landlord must inform and obtain written consent to the proposed letting from any Freeholder, Superior Landlord or Mortgage Lender; in addition to the consent from your Buildings and Contents Insurers.

Any conditions imposed by them or the Local Authority Planning Department, which apply to the Tenancy or need to be included in the Tenancy Agreement, must be given to us before the start of the Tenancy. This includes any relevant clauses of the Head Lease otherwise the Tenant does not have to comply with those conditions which could mean the Landlord is in breach of the Head Lease and forfeiture proceedings may be taken against him which could result in his ownership of the Property being forfeited.

If the conditions or relevant clauses of the Head Lease or Buildings Insurance or Mortgage Conditions are not provided prior to the start of the Tenancy, and are not included in the Tenancy Agreement, the Landlord will not be able to enforce them against the Tenant. To avoid unnecessary delays, applications for consent should begin prior to finding a Tenant.

### 4.7 Buildings and contents insurance

The Landlord must ensure that there is a valid insurance policy for the building. If contents at the Property are provided as part of the Tenancy then the Landlord should arrange contents insurance for 3rd party liability cover. The Landlord should provide us with a copy of the policy and any special conditions before the start of the Tenancy. If a copy of the policy is not supplied to the Tenant, they may not be bound by it.





## Landlord Terms of Business

### 4.8 VAT

Except where otherwise stated, Value Added Tax will be chargeable on all Commission and other charges at the prevailing rate (currently 20%). This rate may change from time to time and the total cost will change accordingly. All fees contained within this Agreement are shown inclusive of VAT.

Hudsons Limited- Reg. No 04466349. VAT No 802210594

### 4.9 Sub-agency

To assist with the marketing of your Property, we reserve the right to instruct other agents as subagents and, unless you instruct us in writing to the contrary, we shall assume that this is acceptable to you.

### 4.10 Miscellaneous

It is not part of our normal function to forward the Landlord's mail. It is recommended that arrangements are made for it to be redirected by the Post Office.

Hudsons holds keys to properties under a secure system whereby details of their corresponding addresses are not identifiable. As such, in the event that keys are lost or unaccounted for, Hudson's liability in respect of such keys and/or any locks is limited only to the cost of cutting a new set of keys.

We reserve the right to assign our rights and/or obligations under this Agreement upon giving you three months' written notice.

### 4.11 Price increases

We reserve the right to increase any charges referred to in this Agreement if the initial Tenancy Agreement is renewed or extended. We will give you 30 days' notice in writing of any increases.

### 4.12 Tax

Income tax is payable on income earned through letting Property in the United Kingdom even where the Landlord is resident abroad and whether or not the Landlord is an individual, an overseas registered company or an overseas resident trust.

You should be aware that we are obliged by law to inform HMRC (Her Majesty's Revenue and Customs) annually of the names and addresses of all landlords together with details of the Property being let.

Where the Landlord is considered nonresident for tax purposes and Hudsons are not in possession of an Approval Notice from HMRC (Her Majesty's Revenue and Customs) then we are obliged to pay tax on the Landlord's behalf on a quarterly basis.

If the Tenant pays rent direct to the Landlord and the Landlord is not resident within the UK for more than six months in the tax year by law the Tenant must deduct tax at basic rate and remit the monies to HMRC unless an approval number is obtained.

Further details of tax deductions for non-resident landlords can be obtained from [www.hmrc.gov.uk](http://www.hmrc.gov.uk) by inserting "non resident landlords' scheme" in the quick search section

### 4.13 Fee and interest

Any fee, interest or other income earned by us while carrying out our duties as Letting or Managing Agent for the letting and/or Management of the Property will be retained by us.

### 4.14 Compensation

The Landlord undertakes to keep us fully and effectively compensated and held harmless in respect of any claim, demand, liability, cost, expense or prosecution which may arise by reason of the failure of the Landlord to comply fully with the terms of any Regulations which are currently in force, including any subsequent amendments thereto or replacement regulations. The Landlord also undertakes to co-operate fully with us in respect of a defence if required unless any prosecution is due to our negligence or breach of contract.



## Landlord Terms of Business

### 4.15 The property ombudsman

We are members of the Association of Residential Letting Agents (ARLA) and the National Association of Estate Agents (NAEA) and have agreed to abide by their Rules of Conduct and Code of Practice.

We are members of The Property Ombudsman (TPO) and follow their Code of Practice. The Landlord agrees that Hudsons may give information about the letting of the Landlords Property to the Ombudsman, if the Landlord or Tenant register a complaint and they ask for that information. The Landlord also agrees that we may give the Landlords contact details to The Property Ombudsman Ltd (if they ask for it) to help them monitor how Hudsons is following the Code of Practice.

### 4.16 Ownership

By signing this contract the Landlord warrants to Hudsons that he is the owner of the Property or has full legal authority to arrange a Tenancy on behalf of the owner. Proof of authority must be provided to Hudsons.

### 4.17 Acts of third parties

We will not be responsible for any loss or damage that you suffer through the act, default or negligence of any third party which may arise other than through our negligence, omission or failure.

The Contract (Rights of Third Parties) Act 1999 does not apply to this Agreement.

### 4.18 Data Protection

In accordance with the provisions set out in the General Data Protection Regulations (GDPR), we will hold all data provided as data controller. Details of how your data or that of the Tenant will be taken, held and used is set out in our privacy policy ("the Policy") that is provided supplemental to these terms. A copy of the Policy can also be found on our website [www.hudsonsproperty.com](http://www.hudsonsproperty.com) if you have any questions regarding the storage or use of the data please refer to the policy or direct the questions to [paul@hudsonsproperty.com](mailto:paul@hudsonsproperty.com).

### 4.19 Marketing

In signing this document, you agree to allow Hudsons Limited to use your details in connection with our marketing and keeping you up to date with our products and services. If you wish to opt out of this service, please tick the box on the acceptance form.



# Landlord Terms of Business

## 5.0 Termination

### 5.1 Termination of agreement

The Landlord may terminate this agreement in writing at any time before the signing of the Tenancy Agreement by the prospective Tenant and upon doing so, the Landlord agrees to reimburse us the reasonable administration and advertising costs incurred subject to a minimum fee of £1800 inc vat and agrees to reimburse the prospective Tenant any reasonable costs incurred in making an application for a tenancy.

Where we manage and/or rent collect, the Landlord and Hudsons have the right to terminate this Agreement by giving a minimum of two months written notice. This agreement cannot be broken during the Tenancy including any renewal period unless mutually agreed by the Landlord and Hudsons. It should be noted that should the Landlord cease the Rent Collect or Management service during the Tenancy, or upon renewals or extensions, then our Letting and Renewal fees will still remain payable for the remainder and duration of the Tenancy.

The termination of this Agreement will be without prejudice to any existing rights or obligations of either party that have arisen during the time the Agreement was in force.

We have the right to assign all or part of the rights and obligations under this Agreement by giving the Landlord two months' notice in writing.

### 5.2 Jurisdiction

This Agreement shall be governed by and construed in accordance with the law of England and Wales and the Courts of England and Wales shall have exclusive jurisdiction in respect of any dispute under it.

Any legal proceedings to be served in respect of this Agreement which are to be served outside the jurisdiction shall be deemed to be sufficiently served if they are sent by ordinary first class or airmail post or its equivalent and it is agreed that all legal proceedings may be served in English without the necessity for translation into any other language.

The provisions for the service of notices are that if either party deliver by hand any Notices or documents which are necessary under the Agreement, or any Act of Parliament to the other party by 5pm or the last known address of the other party; the documents or Notices will be deemed delivered on the next working day which excludes Saturdays, Sundays and Bank Holidays; or if any documents or Notices are sent by registered, or recorded delivery post the documents will be deemed delivered upon proof of delivery being obtained; or if the documents or Notices are sent by ordinary first class post addressed to the other party or the last known address of the other party; the documents or Notices will be deemed delivered two working days later, which excludes Saturdays, Sundays and Bank Holidays.

The address for service for the Landlord will be the contact address specified in this Agreement and the address for service for us will be:

**24 Charlotte Street, London, W1T 2ND**

#### **Regulatory Bodies**

- Association of Residential Letting Agents
- National Association of Estate Agents
- The Property Ombudsman.

### 5.3 Notice of Right to cancel

You have the right to cancel this contract within 14 days under the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013. This must be done in writing from within 14 days from the date that the contract is signed. The notice should be sent to 24 Charlotte Street, London, W1T 2ND or by email to [salesadmin@hudsonsproperty.com](mailto:salesadmin@hudsonsproperty.com). Any Notice of Cancellation is deemed served on the day it is delivered, posted or sent. This directive only applies to distance contracts.

If you have given us your written agreement to market the property for rent within the cancellation period, then we reserve the right to charge an admin fee equivalent to the expense incurred for marketing the property at the date of cancellation.