



# ROLLOS

◆ *solicitors & estate agents* ◆

## AGENCY AGREEMENT REFERENCE NUMBER

Between:

(hereinafter referred to as “the Landlord”)

and: Rollos Law LLP  
11 Bell Street  
St Andrews  
KY16 9UR  
(hereinafter referred to as “the Agent”)

Re:

(hereinafter referred to as “the property”)

## AGENTS SERVICES

1. Initial inspection of the property by our Property Letting Manager at which time advice (where applicable) will be given regarding:
  - a. Letting potential and likely attainable rent.
  - b. Landlord’s responsibilities to lending institutions and insurance companies.
  - c. Property maintenance and prospective budgets including gas and electrical safety inspection requirements.
  - d. Advice re furnishings and soft furnishings fire safety regulations.
  - e. Advice re current landlord/tenant legislation.
  - f. Agreement with the Landlord on an advertising budget.
  - g. Advice on termination of utility services to Landlord’s property and arrangement for tenants to take up suppliers in their own name.
  - h. Informing the Council Tax Department of new tenant and former tenant departure dates.
  - i. Where there is no main telephone line into an HMO Property the Landlord will be responsible for its installation (statutory requirement).

- j. Dealing with any other housing and financial enquiries arising.
  - k. Dealing with any legal enquiries arising.
2. The Landlord is required to prepare an approved inventory of furnishings and general condition of the property for furnished lets prior to the property being occupied. The Agent can prepare this for you, as per fee structure.
  3. Vetting of prospective tenants including taking up references as considered necessary. Arranging viewings and agreeing rent.
  4. Preparation of lease documentation and requisite statutory notices.
  5. Prior to or on the date of entry, the Agent will carry out a pre-commencement inspection and collect one months rent together with the deposit.
  6. Collection of rent (normally monthly or in student lets quarterly in advance). Net rental receipts will be remitted on a quarterly/monthly basis within one week of receipt by the Landlord. These payments are made on receipt of rent and will be remitted less the Agent's charges and any other expenses incurred for the period. All deposits are lodged with Safe Deposits Scotland and are only returned, in full or in part, to the tenant at the end of the tenancy following an inspection of the property by the Agent.
  7. Inspection of the property at regular intervals throughout the duration of the tenancy and provision to the Landlord of a written report as to its condition together with any recommendations in connection with its state of repair.
  8. Payments can be arranged from the Landlord's account, where the account is in credit, of other outgoings as agreed with the Landlord. These may include costs of improvement, larger items of expenditure, local taxes, insurance premiums and advertising charges. Estimates can be obtained and where necessary extra funds will be requested to cover these items of expenditure.
  9. Organise routine inspections of gas and electrical appliances.
  10. Organise routine repairs/maintenance work required at the property in accordance with good housing management and practice.
  11. Arrange to re-let the property on termination of the tenancy if so requested by the landlord.
  12. Service of statutory notices when the Landlord requires possession of the property.
  13. Monitor tenant payments to ensure all rents are made timeously. After consultation with the Landlord pursue arrears and instigate legal action for recovery of arrears and possession if required. (Court expenses will be the responsibility of the Landlord subject to possible recovery from the tenant).
  14. Preparation of monthly/quarterly management statements showing all items of income and expenditure for the property.

#### LANDLORDS RESPONSIBILITIES (where applicable)

1. Obtain permission to let the property out from their mortgage company. The Agent will not contact the Landlord's bank or building society.
2. Advise the insurers of the buildings and contents of the Landlord's intention to let and to ensure that the property is kept fully insured. Tenants will be advised to arrange suitable insurance cover for their own possessions. The Agent can arrange buildings insurance for the Landlord if required.

3. Notify the telephone company prior to handing the property over to the Agent.
4. Advise the Agent in writing if the Landlord requires to repossess the property. The Agent can provide legal advice on the grounds of repossession.
5. Under the Gas Safety (installation) and Use Regulations 1994 all gas appliances within the property must be checked for safety at intervals of not more than twelve months by a Gas Safe registered engineer or other person approved by health and safety regulations. Records must be kept up to date of inspections and of details identified where any remedial action must be taken and made available for inspection by tenants at any time. All properties managed by the Agent must comply with the above regulations and the cost of the inspection met by the Landlord. The installation of CO2 alarms in properties with gas will be required (where not already fitted).
6. Test all moveable electrical domestic appliances at regular intervals.
7. The Scottish Government has produced revised statutory guidance on requirements for smoke alarms. The main points relative to smoke detectors are that there should be at least one functioning smoke alarm in the rooms which are used by the occupants for general daytime living purposes, one functioning smoke alarm in hallways and landings, and one heat alarm in the kitchen. All alarms must be interlinked.
8. Recent changes by the Government have brought every landlord and letting agent of private rented property under the legislation relating to Legionnaires' disease. Landlords and agents must now undertake a risk assessment and preventative action. Water safety checks must now be included alongside gas safety checks, fire risk assessments and PAT's electrical tests. An Electrical Installation Condition Report (EICR) is required for all properties.
9. The Furniture and Furnishings (Fire Safety) Regulations 1988, as amended, provide that specified items supplied in the course of letting property must meet minimum fire resistant standards. These regulations apply to beds, headboards, mattresses, sofa beds, futons and other convertibles, nursery furniture, garden furniture suitable for use in a dwelling, scatter cushions, pillows and non-original covers of furniture. They do not apply to antique furniture or furniture made before 1950, bed clothes including duvets, loose covers for mattresses, pillowcases, curtains, carpets or sleeping bags. In practice, items which comply will have a suitably marked permanent label attached. In order to avoid a landlord contravening these regulations it is the Agent's policy to inspect the property for non-compliant items and arrange for their removal or replacement prior to letting.
10. In accordance with the Taxes Management Act 1970, if a landlord is a non UK resident the Agent collecting the rent will be assessed and held responsible for payment of the tax liability on rent received in any one tax year. The Agent will keep a reserve of 22% of the rent (net of fees) until the liability is determined and paid.

From 6<sup>th</sup> April 1996 the Inland Revenue introduced a system of Self Assessment and all overseas landlords may apply to the Inland Revenue for a Certificate of Self-Assessment in order for rents to be paid over gross. We would strongly recommend that all-overseas landlords apply for Self-Assessment. In all other cases, we are required by law to pay the tax for all overseas landlords at the basic rate from the net rental income and account for this on returns to the Inland Revenue.

Further information can be obtained at [www.gov.uk](http://www.gov.uk).

(As we are not qualified accountants we would recommend that you take professional advice regarding Self-Assessment regulations.)

The Agent will arrange for all necessary checks to the property prior to and during the course of the tenancy concerning these utilities together with fire risk assessment.

11. Advise the insurers of any period when the property is vacant for a prolonged period (generally in excess of 30 days).

**12. Landlord Registration**

All private landlords must apply for registration with the local authorities. The registration process can be done direct with the Local Authority or through a national website at [www.landlordregistrationscotland.gov.uk](http://www.landlordregistrationscotland.gov.uk).

**13. Repairing Standards**

With effect from 3<sup>rd</sup> September 2007 the Housing (Scotland) Act 2006 introduced a new repairing standard, which apply to the majority of tenancies of houses in the private sector in Scotland. It covers various aspects of the house, including the structure and exterior, various installations and fixtures, the safety of the furniture, and smoke alarms.

The Landlord is required to ensure the property meets the repairing standard at the start of and throughout the duration of the tenancy, although this duty only applies if the tenant advises that the work needs done or the Landlord becomes aware in some other way.

**GENERAL GUIDANCE NOTES AND TERMS**

1. The Agent has the authority to sign all tenancy agreements on behalf of the Landlord.
2. The Agent is regulated by the Law Society of Scotland under the Solicitors Accounts Rules in respect of dealing with the Landlord's money.
3. Expenditure incurred by the Agent in respect of the maintenance and management of the property will be recovered from rental income or funded by the Landlord direct.
4. There is a mandatory licensing system in place for households in multiple occupancy (known as an "HMO"). The primary reason for the introduction of mandatory licensing is to increase the protection afforded to tenants by ensuring that the accommodation provided is both safe and of good quality. Basic standards for active and passive fire precautions and space standards must be achieved and many older properties will require improvements to meet these standards. We carry out regular safety checks, ensuring that they are being maintained to licensing law standards.
5. The Landlord authorises the Agent to erect an advertising board or window poster where appropriate signifying that the property is available for let.
6. On termination of the final tenancy and vacation by the tenant responsibility for the property will revert to the landlord. All keys will be returned to the Landlord.
7. The Landlord may terminate this agreement in writing at any time before the acceptance of the tenancy agreement by the tenant subject to reimbursement by the Landlord of all costs incurred by the Agent in terms of this agreement.
8. Where there are two or more owners of the property the signature of one of the owners to this agreement shall bind the other owners jointly and severally to its terms.

9. Either party has the right to terminate this agreement in writing at the end of the tenancy or on the occasion of a material breach of any conditions of this agreement during a tenancy giving the other party no less than three months' notice in writing.
10. Please note that as solicitors and members of the Law Society of Scotland all client funds held by us are fully protected under the solicitors Guarantee Fund.

**FEE STRUCTURE: Managed Properties**

1. Non-refundable Registration Fee: £100 + VAT for new clients.
2. Management commission will be charged at the rate of           % of gross rental + VAT.
3. For preparation of an approved inventory of furnishings and general condition for furnished lets: £100 + VAT.
4. For preparation of lease documentation and statutory notice: £75 + VAT. Renewal fee for existing tenant or drawing up amended lease if required: £50 + VAT (please note this is a restricted fee for fully factored properties only).
5. The Landlord authorises the Agent to organise repairs/maintenance works up to the value of £250 without prior authorisation except in the event of an unforeseen emergency where contact with the Landlord is not possible. In such circumstances the Agent is authorised to arrange work to a higher value to deal effectively with the emergency. If any requirement is made of the Agent by the Landlord involving services outwith normal management duties e.g. insurance dilapidation claims, major repair works etc an extra fee may be chargeable. (In order that the Agent can obtain instructions from the Landlord quickly in the case of an emergency, the Agent requires a mobile contact phone number and e-mail address.)
6. We recommend that rental income is credited direct to a designated bank account and require the Landlord to provide details.

**FEE STRUCTURE: HMO Properties**

Fee payable to Fife Council:

- New HMO Licence application process: £1,300
- Renewal of existing HMO Licence: £500

Fee payable to Rollos Law LLP

- Taking instruction from client, liaising with Local Authority, and arranging for suitable access for tradesmen to carry out work. To supervising work, checking and certifying invoices, arranging for, and attending re-inspection with the Local Authority.
- New HMO Licence application Fee: £575 + VAT
- Renewal of existing HMO Fee: £250 + VAT

**Non Managed Properties**

- Registration Fee: £100 + VAT
- Marketing Fee: £150 + VAT
- Finding Tenant: £100 + VAT
- Lease: £145 + VAT
- Renewal Fee: £55 + VAT