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## **AN INTRODUCTION TO LETTING – YOUR PROPERTY**

Aston Fox are specialists in letting and management of residential properties. Tenants are selected from major companies in the United Kingdom and those relocating from abroad.

Letting your property may be a necessity or an attractive commercial proposition, either way professional advice is always essential. Letting your home can provide an income to cover or subsidise your mortgage and other outgoings, whilst you still benefit from capital appreciation in the value of your property.

Letting your property is your best protection against inflation.

The following brochure outlines our terms and conditions. Should you be thinking of letting now or in the future, please contact one of our offices for a market appraisal or detailed advice about your requirements.

**GENERAL INFORMATION**  
**SECTION 1**

A. LEASEHOLD If you hold the property on a lease you must ensure that Letting is permitted and or it written permission is required to allow sub-letting.

B. MORTGAGES If a mortgage is secured on the property permission to let is required from the lender. We strongly advise the Landlord to obtain this permission as early as possible. Your signature on the Tenancy Agreement confirms that you have the right to let the property.

C. INSURANCE We strongly advise that you contact your broker and / or your insurers and notify them of your intention to let the premises.

D. INCOME TAX Those landlords who reside abroad may incur a tax liability as will those who live in the UK and subsequently move abroad. In these circumstances we would strongly advise you to appoint an accountant or a tax adviser who will be able to advise you further of any such liabilities. We will have to deduct income tax at the basic rate and hold the amount so deducted to your credit until final determination by the inspector of taxes, where upon you be sent any balance remaining.

E. GAS SAFETY (Installation and use) REGULATIONS 1994

Under this legislation all landlords are required to have gas appliances in let properties services at least annually by a Gas Safe Registered engineer, and keep a record of such servicing, the faults found, and the repairs undertaken. This information must be given to tenants at the start of tenancy. If you have a service contract in place which-will include this work, please let us know, in writing, at the commencement of our management.

F. FURNITURE AND FURNISHING (Fire) (Safety) REGULATIONS 1994 The landlord hereby warrants to Aston Fox that all furniture supplied for the use of the tenants with the property, complies with the furniture and furnishings (Fire) (Safety) regulations 1988 and the landlord agrees to indemnify Aston Fox against all liability, costs and expenses that Aston Fox incur by reason of any breach of these regulations by the landlord.

G. ELECTRICAL EQUIPMENT (Safety) REGULATIONS 1994 The above Regulation came into force on 9<sup>th</sup> January 1995. All electrical appliances must be tested by a qualified electrician who has necessary test equipment to carry out portable appliance testing and we will also advise a full electrical inspection to cover you.

H. ENERGY PERFORMANCE CERTIFICATE 2008 EPCs will be valid for ten years on let property, but if changes are made to the property which may affect its energy efficiency then a new EPC should be commissioned before a new letting takes place. Tenants must be given a copy of the current EPC at the start of tenancy.

I. COUNCIL TAX From April 1993 Council Tax has been the responsibility of the tenant.

J. POST Aston Fox will not be held responsible for collecting and forwarding mail. We advise that a divert is set up with the post office.

K. PROPERTY LICENSING In Newham it is required that landlords of all privately rented properties apply for a property licence since the 31<sup>st</sup> December 2012. This includes all rented property not just certain high risk houses in multiple occupation (HMOs). Failure to apply for a licence may result in landlords and managing agents being prosecuted and subject to a fine of up to £20,000. They can have control of their unlicensed properties taken away from them, and also being made to repay any rents they have received from their tenants. If you are making an online application you will incur a fee of £500 per property. You may make an application by a paper form but there is an extra £100 charge for this service. For more information on fees and charges, and for further information, please visit Newham's website at [www.newham.gov.uk/propertylicensing](http://www.newham.gov.uk/propertylicensing)

If you require Aston Fox to arrange the licence we will charge a fee of £200 + VAT.

#### L. REQUIREMENT FOR SMOKE ALARMS

During any period beginning on or after 1st October 2015 while the premises are occupied under a tenancy (or licence) the landlord must ensure that a smoke alarm is equipped on each storey of the premises on which there is a room used wholly or partly as living accommodation. A living room will include a lounge dining room and kitchen as well as a bathroom or toilet. It also includes a hall or landing. This means that a smoke alarm must be provided in working order on each storey. Since the regulation relates to each storey in the premises this suggests that a separate alarm is not needed on a half landing as these would not be regarded as individually being a storey. As regards individual flats located on one floor then there will have to be at least one alarm within the flat itself.

Likewise, for flats comprising more than one storey there will need to be a smoke alarm on each floor.

It is the location of an alarm which sounds which is crucial; not the positioning of detectors.

The Regulations do not stipulate what kind of alarm is required. Ideally it should be a hard wired alarm system. It can, however, be a single stand-alone alarm.

#### M. CARBON MONOXIDE DETECTORS

Likewise, during any period beginning on or after 1st October 2015 when the premises are occupied under a tenancy or a licence a carbon monoxide alarm must be provided by the landlord in any room in premises which is used wholly or partly as living accommodation which contains a solid fuel burning combustion appliance. This applies to any kind of wood burning stove or an open coal fire. It will also extend to equipment such as a solid fuel Aga in the kitchen. This is already a requirement with new installations of solid fuel burning combustion appliances as under Building Regulations there is a requirement to install a carbon monoxide alarm. This is now extended to any existing appliances already in place before Building Regulations imposed this requirement or where building regulations are not observed.

N. DEPOSITS These will be collected from the tenants and transferred to the DPS (Deposit Protection Scheme) on or before the day of move in. Any dilapidations will then be agreed at the end of the tenancy and refunded to either party. Both landlord and tenant will be made aware of their tenancy deposit certificate.

The Deposit Protection Scheme was introduced in April 2007 as part of the Housing Act 2004 for all assured shorthold tenancies in England and Wales where a deposit was taken. From April 2012 you must protect any deposit you receive within 30 calendar days of receiving it. Introducing Tenancy Deposit Protection was identified as a way to raise standards in the lettings industry and ensure tenants are treated fairly at the end of the tenancy.

The DPS is the home of deposit protection, they've got it covered:

- They hold over 1.2 million deposits.
- On average 1,500 deposits are submitted to them every day.
- They've repaid 500,000 deposits in the last year.
- They've resolved over 10,200 tenancy deposit disputes in the past year alone.

With their expertise, you'll have peace of mind that your tenant's deposit will be cared for by the largest, most experienced supplier of deposit protection in the UK, please see [www.depositprotection.com](http://www.depositprotection.com) for more details

## LETTING SERVICE

### SECTION 2

A. RENT Aston Fox will inspect the property and advise of a current market rent. The rent quoted by us is exclusive of domestic services, for which you the landlord are not responsible (i.e. Telephone, Electricity, and Gas).

B. MARKETING All advertisements, local and national, pamphlet detail sheets etc, are included in our fees unless otherwise stated.

C. TENANTS References will normally be taken up on applicants and are made available for inspection before any contracts are finalised. A meeting between landlord and tenant(s) can be arranged if so desired to ensure you are completely satisfied with the proposed occupants. If we are successful in finding a Tenant for your Property who makes an offer which you accept, subject to references and subject to contract, and you later withdraw from the proposed letting for reasons other than references, we will charge an abortive fee of £800 + VAT. The fees will be waived if you instruct us to proceed within a period of one month from the date of withdrawal.

D. INVENTORY. We recommend a full inventory of furniture and effects should be prepared before a tenant takes occupation; copies are presented and signed by all parties on the day of occupation and, on the departure of tenants, upon termination of the tenancy agreement. Where loss of, or damage, to furnishings and/or effects or excessive deterioration gas taken place the cost of repair, replacement or cleaning can be deducted from the deposit monies.

E. SERVICES. Only you, the landlord, may sign off the gas, electricity and telephone prior to the tenants taking occupation. However, we will usually assist in-going tenants with the transfer of the services although it is their responsibility to do so.

F. CONTRACTS. These will be prepared in accordance with the Housing Act 1988 an Assured Shorthold Tenancy Agreement (see section 5C). We cannot be held responsible for checking tenancy agreements which have been prepared by other firms or premium leases. For these documents, the landlord is advised to seek legal advice.

G. DEPOSITS AND RENT. Prior to the tenants taking up occupation we will collect one month's rent in advance and one month's damage deposit, unless otherwise agreed with the landlord, returnable after any appropriate deductions are made. On a straight let basis the agents responsibilities ceases when the tenants have the keys at the start of the tenancy.

#### H. PROPERTY LICENSING

In Newham it is required that landlords of all privately rented properties apply for a property licence since the 31<sup>st</sup> December 2012. This includes all rented property not just certain high risk houses in multiple occupation (HMOs).

Failure to apply for a licence may result in landlords and managing agents being prosecuted and subject to a fine of up to £20,000. They can have control of their unlicensed properties taken away from them, and also being made to repay any rents they have received from their tenants.

If you are making an online application you will incur a fee of £500 per property. You may make an application by a paper form but there is an extra £100 charge for this service.

For more information on fees and charges, and for further information, please visit Newham's website at [www.newham.gov.uk/propertylicensing](http://www.newham.gov.uk/propertylicensing)

If you require Aston Fox to arrange the licence we will charge a fee of £200 + VAT.

## **ADDITIONAL SERVICE**

In addition to our Letting and Management Services, we can offer to you experience in connection with the partial or total refurbishment of your property. Our commission will be 10% of the total cost of the work. If you require further details please ask.

## **RENT SERVICE**

### **SECTION 3**

A. RENT Rents are sent to yourself, the landlord, deposited at a prearranged bank account, usually around the 15<sup>th</sup> of every month, after the rent cheque or standing order has cleared. The cheque run takes place only on a Monday, if the 15<sup>th</sup> is not on a Monday, it shall carry over to the following Monday and the rents will be received by the end of that week or the commencement of the following week. Whilst every effort will be made by Aston Fox to collect rent and ensure that the tenancy agreements are adhered to, the landlord will be responsible to initiate and settle the cost of any legal action recommended by Aston Fox should this prove necessary. Aston Fox has a well-known proven system of vetting tenants and an excellent track record which greatly reduces any risk of such problems.

B. DEPOSITS These will be collected from the tenants and transferred to the DPS (Deposit Protection Scheme) on or before the day of move in. Any dilapidations will then be agreed at the end of the tenancy and refunded to either party. Both landlord and tenant will be made aware of their tenancy deposit certificate.

The Deposit Protection Scheme was introduced in April 2007 as part of the Housing Act 2004 for all assured shorthold tenancies in England and Wales where a deposit was taken. From April 2012 you must protect any deposit you receive within 30 calendar days of receiving it. Introducing Tenancy Deposit Protection was identified as a way to raise standards in the lettings industry and ensure tenants are treated fairly at the end of the tenancy.

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C. CHECK IN/ CHECK OUT We will usually arrange for the tenants to be checked in and out of the property.

## MANAGEMENT SERVICES

### SECTION 4

A. OUTGOINGS Where instructed, we will pay any current outgoings such as insurance premiums, service/maintenance charges, ground rent etc, and will endeavour to query any obvious discrepancies, although it must be understood we will pay without question such demands and accounts which appear in order should sufficient funds be available.

#### B. REPAIRS, REPLACEMENT AND INSPECTIONS

(i) We will investigate any request for repairs or maintenance brought to our attention by the tenants and will arrange for the work to be carried out in any emergency or in any case where repairs are less than £500. In all, other cases estimates will be obtained and made available for approval. Half a month's rent will be deducted from move in monies to be held as a repair bond. We charge a fee of 10% of the total cost of the work.

(ii) Periodic inspections will usually be carried out on the premises whilst under our management. However, it should be appreciated that any inspection can only extend to apparent and obvious defects and would not amount in any way to a structural survey of the property. A property that is Let on an Let only basis will not be inspected, if you do require us to do so then inspections will be made on the property at a cost of £50 + VAT per visit.

(iii) The landlord agrees to indemnify Aston Fox as your agents, against any reasonable charges imposed or incurred whilst on your behalf in the pursuit of our normal duties.

#### C. INVENTORY

On a management let we strongly recommend that a full inventory is prepared, listing every item, its condition and decorative condition of the property. We can arrange their inventories with a specialist company. Prices start at £100 + VAT.

#### D. RENT PAYMENTS

Rents are sent to yourself, the landlord, deposited at a prearranged bank account, usually around the 15<sup>th</sup> of every month, after the rent cheque or standing order has cleared. The cheque run takes place only on a Monday, if the 15<sup>th</sup> is not on a Monday, it shall carry over to the following Monday and the rents will be received by the end of that week or the commencement of the following week.

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## FEES

### SECTION 5

On Aston Fox finding a suitable tenant/s and upon the completion of the tenancy agreement, our commission will be charged as follows:

- A. For a residential letting service -10% Plus VAT of the gross rent due for the tenancy term.
- B. For a residential management service – An additional 5% plus VAT of the gross rent due for the tenancy term. Total charge at 15% plus VAT.
- C. For preparation of the Tenancy Agreement - £50 plus VAT
- D. In the event of the tenants introduced by Aston Fox extending or renewing the tenancy agreement by way of negotiation with the landlord, his agent or Aston Fox, commission is payable as per section 5 Parts A, B and C of our terms and conditions.
- E. Upon extension/renewal of the tenancy as well as the agreed fees there will be an administration charge of £100 plus VAT.
- F. Our minimum fee is £800 plus VAT.
- G. Our letting service and our Management service begins at the commencement of the tenancy. The Management agreement to manage the property is subject to three month' notice to terminate the Tenancy, from either the landlord or Tenant. In the event of the termination of the Management Agreement, the proportion of commission fee relating to the letting and management shall continue to remain due and payable to us in full, notwithstanding such termination. All fees are payable at the commencement of the term which will be deducted from monies received from the tenant prior to the occupation of said premises. Any differences owing to the Landlord will be settled with the Landlord and any difference due from the Landlord will be deducted from subsequent rent payments. 1. Fees are not reimbursed if the tenant(s) vacate the property before the end of term, and the agent cannot be held responsible. Under a Management Letting Contract, the unused portion of the management charge is reimbursed, only when the property has been re-let by Aston Fox.
- H. In the event that the tenant(s) (or any person or corporate body associated with the tenant) introduced by Aston Fox upon, during, or after the tenancy, purchase the property or an interest therein, commission shall be at the rate of 2.5% plus VAT of the sale price and payable to Aston Fox upon exchange of contracts.



## **ADDITIONAL FEES**

**TELEPHONE CALLS AND COURIER CHARGES** We reserve the right to charge the Landlord for international telephone calls and courier charges if they are necessarily incurred by us in the preparation of the Tenancy Agreement or during the period of the Tenancy.

**MANAGING WHEN INSTRUCTED TO LET ONLY** If the Landlord elects to instruct us to carry out the Letting Service only, and if no arrangements have been made to manage the property, and we are required to carry out management duties we will make a charge of £100 per hour plus value added tax for such service.

**VACANT PROPERTY** We will not manage your property, unless specifically agreed with you, when it is not let, although we may make periodic visits whilst finding a new tenant for the property. If you require us to manage your property while it is vacant our minimum fee for the monitoring of a vacant property is £300.00 per quarter or part thereof.

## SUMMARY OF CHARGES

The Letting Service.	10% of Rent + VAT
Abortive Fee.	£800.00 + VAT
The Management Service.	5% of the Rent (Plus 10% let only) + VAT
Decorating & Refurbishment	10% of works cost + VAT
Setting up of the Tenancy Agreement	£75.00 + VAT
Property purchased by the tenant.	Fee due 2.5% of the sale price
International telephone calls and courier charges	At cost
Inventory	From £90.00 + VAT
Managing when instructed to let only	£100.00 per hour + VAT
Check-in Check-Out	£30.00 + VAT for each
Home Checks	£25.00 + VAT
Renewals as per fee agreement	
Licence Application	£200 + VAT