

## TERMS AND CONDITIONS OF BUSINESS

Owner/Landlords Full Name: _____
Address of property to be let: _____
Postcode: _____

**Please tick the service you require:**

<b>Letting Only Service</b>	<input type="checkbox"/> (10 % Subject to minimum fee of £850 plus Vat)
<b>Rent Collection</b>	<input type="checkbox"/> (12 % Subject to minimum fee of £1000 plus Vat)
<b>Full Management service</b>	<input type="checkbox"/> (16 % Subject to minimum fee of £1200 plus Vat)

**Requirements:**

	YES	NO	EITHER
Does the property have any gas appliances?			
⇒ If yes, do you have a current valid gas If so a copy must be attached for our records			/
Do you require a Gas Safety Certificate for the property? *			/
Do you require a Break Clause?			
Do you require an Inventory? *			/
Do you require Check In/Out? *			/
Do you require Electrical Safety Test? *			/
Do you require a professional clean?			
Are you resident overseas?			/
Do You require Property Visits? *			

Have you rented through us before	Yes	No	
If so when did the contract start and finish and when did the tenant vacate	Start	Finish	vacated
Was there a break clause	Yes		No
How much was the monthly rent	£		

I confirm that I am the legal owner of the property to be let and have obtained any necessary consent. Having read and accepted your "Terms and Conditions of Business" (pages 5-15 of the Terms and Conditions), I hereby instruct **City Docklands Ltd** to act as agents on my behalf to provide the above services: (tick as appropriate)

*\* Additional charges apply, please read our Terms and Conditions for further details.*

SIGNED: _____ (The Owner or Power of Attorney)	DATE: _____
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SIGNED: _____ (For City Docklands Ltd.)	DATE: _____
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## **SECTION 1 – To be completed by all clients**

- **Property to be Let**

Address: \_\_\_\_\_  
Postcode: \_\_\_\_\_

Property Telephone Number: \_\_\_\_\_

Garage/Parking: \_\_\_\_\_

Use of Garden: \_\_\_\_\_

Alarm Details: (location/ code) \_\_\_\_\_

Date from which property is available: \_\_\_\_\_

- **Owners Details**

Full Name: \_\_\_\_\_

Home Address: \_\_\_\_\_  
Post code: \_\_\_\_\_

Tel: (Home) \_\_\_\_\_ Tel: (Work) \_\_\_\_\_

Mobile: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Please note: If c/o address is used we will assume you are abroad for tax purposes unless otherwise informed.

- **Owners Contact in UK, if overseas**

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
Postcode: \_\_\_\_\_

Tel no: \_\_\_\_\_ Email: \_\_\_\_\_

- **Bank/Building Society Details**

Account Name \_\_\_\_\_

Bank Address: \_\_\_\_\_  
Postcode: \_\_\_\_\_

Sort Code: \_\_\_\_\_ Account Number: \_\_\_\_\_

- **Please supply Names of Utility / Service Providers**

Local Council: \_\_\_\_\_ Tel Provider: \_\_\_\_\_

Electricity Company: \_\_\_\_\_

Gas: \_\_\_\_\_

Water: \_\_\_\_\_

**SECTION 2 – To be completed only if Property requires Management**

• **Solicitors Details**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Post code: \_\_\_\_\_  
Tel no: \_\_\_\_\_ Fax: \_\_\_\_\_

• **Accountants/Tax Adviser**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Post Code: \_\_\_\_\_  
Tel No: \_\_\_\_\_ Fax: \_\_\_\_\_

**Payments (we pay all received rents on Tuesday and Fridays each week, rent is only paid out once it has cleared in to our account)**

Bacs Payment to: \_\_\_\_\_  
Landlords statement to: \_\_\_\_\_

• **Managing Agents or Freeholders**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Post code: \_\_\_\_\_  
Tel No: \_\_\_\_\_ Fax: \_\_\_\_\_  
Annual ground rent payable: \_\_\_\_\_ Service charge: \_\_\_\_\_

• **Building Insurance details – Please provide copies of policies**

Policy no: \_\_\_\_\_ Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Post code: \_\_\_\_\_  
Tel no: \_\_\_\_\_ Fax: \_\_\_\_\_

• **Contents Insurance details**

Policy no: \_\_\_\_\_ Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Post code: \_\_\_\_\_  
Tel no: \_\_\_\_\_ Fax: \_\_\_\_\_

• **Electrical Appliances - Guarantees if any**

Washing Machine: \_\_\_\_\_  
Fridge: \_\_\_\_\_  
Cooker: \_\_\_\_\_  
Other: \_\_\_\_\_



## **CONTENTS**

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This document outlines our Terms & Conditions for providing the various services of Residential Lettings and Managing Agents and at the same time we give general advice on the various processes involved with lettings and the management of your property.

Once you have decided to instruct City Docklands Property Consultants, please read through this document and then return the **Client Details Form (pages 1 to 4)** to us as soon as possible. When we have received the completed form we will commence the marketing of your property in accordance with your requirements.

When suitable Tenants have been found, occupation cannot commence until an Agreement has been signed by both the Landlord and Tenant(s). In order to ensure speed and efficiency, the vast majority of our Landlords have authorised us to sign Agreements on their behalf by completing the relevant section of the Client Details Form. If you wish to sign the Agreement personally, arrangements can be made but this may slow down the process.

For your peace of mind City Docklands are bonded members of ARLA (Association of Residential Letting Agents).

## A) SCALE OF CHARGES in Brief

### LETTINGS SERVICES

**Charges** 10% of the gross monthly rent received and is paid in advance (Subject to minimum fee of £850). Monies to be taken from the first and second months rent, remainder to be paid by landlord to City Docklands within two weeks of invoice. (All charges are subject to VAT)

**a) The tenants will pay the first two months rent to City Docklands who will process the rental amount and forward any remaining rent to you, the tenants will pay the rent directly to you from the third rental payment onwards. This is to ensure that any outstanding amount owed to City Docklands or Contractors instructed by City Docklands are paid within 6 weeks of move in date.**

#### Notes

- a) Letting Fees are charged as percentage of gross income receivable under The terms of the Letting Agreement.
- b) A Renewal / Extension fee of 9% will be payable if all or at least one of the original tenants introduced by City Docklands remain in the premises for one or more further term(s), whether or not negotiated through City Docklands. All letting fees are due in full at the commencement of each letting. If a tenant rebukes the tenancy in accordance with his/her break clause, a pro rata refund will be made or a replacement tenant found.

The Said refund is subject to a minimum fee of £850.00 plus VAT and is **subject** to City Docklands re-letting the property.

### RENT COLLECTION SERVICES

**Charges:** 12% of the gross monthly rental received (subject to minimum fee of £1000) All Charges are subject to VAT

- a) The rent collection and letting fees are collected in equal monthly instalments for the duration of the Tenancy.**
- b) A renewal extension fee of 11% plus vat will be charged if at least one or more of the original tenants introduced by City Docklands remain in the property for one or more further terms(s) whether or not negotiated through City Docklands.
- c) The said fees are collected monthly upon renewal of Tenancy and are not subject to minimum fee.
- d) Should a tenant vacate due to the landlords failure to meet his/her obligations under the landlord and tenant act all fees still to be paid will be collected from the final rent payment.

### MANAGEMENT SERVICES

**Charges:** 16% of the gross monthly rental received (subject to minimum fee of £1200) All Charges are subject to VAT

- e) **The management and letting fees are collected in equal monthly instalments for the duration of the Tenancy.**
- f) A renewal extension fee of 15% plus vat will be charged if at least one or more of the original tenants introduced by City Docklands remain in the property for one or more further terms(s) whether or not negotiated through City Docklands.
- g) The said fees are collected monthly upon renewal of Tenancy and are not subject to minimum fee.
- h) Should a tenant vacate due to the landlords failure to meet his/her obligations under the landlord and tenant act all fees still to be paid will be collected from the final rent payment.

## **OTHER CHARGES**

1. Out of pocket expenses to cover travel, key cutting, printing, Redirection of mail, facsimile and international telephone calls.
2. Compilation of Inventory and Check-in/Check-out. An Independent firm of Inventory Clerks are used to provide these Services and charges are subject to the size of apartment. A copy of each of the documents are sent to both the landlord and tenant and a copy held on file. A schedule of prices is available on request. Please be aware that under current Government legislation as of June 2006 Landlords will not be able to deduct any monies from the tenants deposit for dilapidations without evidence such evidence to be in the form of a comprehensive inventory check in and check out. Should any deductions be made the Tenants Deposit Scheme (or relevant deposit scheme holding the deposit) may be contacted should a dispute arise. Please note that should the dispute go to court for settlement a Judge will look more favourably on an independent inventory and check. Attached is a copy of the TDS leaflet which details how we hold the tenants deposit scheme.
3. To prepare the form of the Tenancy Agreement as agreed with the owner and unless otherwise instructed to sign the Tenancy Agreement on behalf of the owner. A charge of £80.00 plus VAT, is payable for the preparation of the Tenancy Agreement.
4. Portable appliance tests £85.00 plus VAT.
5. Landlord and Tenant Gas Safety Check £80.00 plus VAT.
6. Professional clean where requested. We use a professional cleaning service and prices vary according to size of property and whether or not windows, carpets etc are required, for full details contact a member of our team.

## **SUBSEQUENT SALE**

In the event of a current or previous Tenant of the property who was initially introduced by City Docklands purchasing the Freehold or long Leasehold interest, Commission will become payable to City Docklands at a rate of 2% of the sale value, Plus VAT. This applies whether or not the sale is negotiated through City Docklands.

## **B) LETTINGS SERVICES**

### **MARKETING**

On receipt of the Landlord's formal instructions, the completed client details form, and a set of keys we will make every effort to let the property. We try to let the property as quickly and at the highest possible rent. We will call you with updates and

discuss the marketing when appropriate. Our marketing expertise ensures that your property receives the maximum possible exposure.

- a) Prepare details of the property including a full description and focussing on any special aspect of the property.
- b) Arrange to take professional photographs.
- c) Inform suitable Tenants from our register about the property.
- d) Advertise in local and national newspapers as appropriate.
- e) Advertise the property on our website. Both written and photographic images are displayed, the site is linked to various other property web sites, and prospective tenants are able to request further information directly via the web.
- f) Display details of the property in our office window if appropriate.
- g) Erect a to let/let by sign
- h) We would recommend that a property be first offered approximately Four to six weeks before it is due to become available for occupation.

## **TENANTS' REFERENCES**

Tenants will be thoroughly vetted via our Credit referencing company. These are as follows:

1. Employer's reference.
2. Landlord reference.
3. Formal Credit Check.

Note: A separate administration charge is made to the Tenant by the Company for references and financial credit checks.

Note: References are requested on all tenants and guarantors. City Docklands enters into a contract with the referencing agency that applies, in confidence, for references on your behalf with the permission of the aforementioned tenants and guarantors. Upon receipt of all relevant references a final report is sent advising the suitability of the individuals concerned. This report is then filed and held for a period of 6 years. However, in line with the Data Protection Act 1998, this report is confidential and may not be shared with a third party. City Docklands having undertaken this process accepts no liability for these references and cannot be held responsible if false or incorrect references have been provided or if the tenant does not abide by his / her obligation under the tenancy agreement.

## **LETTING AGREEMENT**

Having negotiated an agreement acceptable to both parties, a formal document will be prepared by our staff in duplicate. On completion of this agreement a copy is forwarded to the Landlord and to the Tenant and the original is retained on our file.

## **DEPOSIT**

### **Definitions**

*Security Deposit held as Stakeholder*

*This means that at the end of the tenancy, the two parties to the tenancy agreement should jointly agree on the apportionment of any deductions from the deposit, e.g. for costs or compensation for damage, or for breaches of, or failure to comply with, the tenant's obligations. Any portion in dispute should not be paid over to, or taken by,*

*either party until and unless mutual agreement is reached, or unless an appropriate third party makes a decision.*

*-ICE - the "Independent Case Examiner of The Dispute Service".*

We usually secure before the commencement date of the agreement a sum payable by the Tenant equivalent to a minimum of 5 weeks rent. City Docklands is a member of the Tenancy Deposit Scheme, which is administered by:

The Dispute Service Ltd  
PO Box 541  
Amersham  
Bucks  
HP6 6ZR

phone 0845 226 7837  
email [deposits@tds.gb.com](mailto:deposits@tds.gb.com)  
fax 01494 431 123

City Docklands will hold the Deposit under the terms of the Tenancy Deposit Scheme. City Docklands will hold this deposit as Stakeholder.

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

If there is no dispute City Docklands 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 10 working days of written consent from both parties.

If, after 10 working days<sup>\*</sup> following notification of a dispute to City Docklands and reasonable attempts have 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 ICE for adjudication. All parties agree to co-operate with any adjudication.

When the amount in dispute is over £5,000 the Landlord and the Tenant will agree by signing the Tenancy Agreement to submit the dispute to formal arbitration through the engagement of an arbitrator appointed by the ICE although, with the written consent of both parties, the ICE may at his discretion 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, shared equally between the Landlord and the Tenant. The liability for any subsequent costs will be dependent upon the award made by the arbitrator.

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 ICE 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. Judges may, because it is a condition of the Tenancy Agreement signed by both parties, refer the dispute back to the ICE for adjudication. If the parties do agree that the dispute should be resolved by the ICE, they must accept the decision of the ICE as final and binding.

If there is a dispute City Docklands 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 10 working days of being told that a dispute has been registered. Failure to do so will not delay the adjudication but The Dispute Service Ltd will take appropriate action to recover the deposit.

City Docklands 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.

### **Incorrect Information**

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

### **INVENTORY Compulsory (we are happy to receive your own to be used with the check in)**

We arrange to have the inventory checked and signed by the Tenant and the keys are handed over at the commencement of the Tenancy. We use a specialist firm of inventory clerks and we can instruct them on your behalf for an additional cost. As this is an independent firm we cannot accept any liability for their omissions or errors. A copy of the report will be submitted to you for your final assessment and the amount of deductions from the deposit (if any), can be deduced. We strongly recommend that an inventory or check-in be carried out. Should a dispute arise it stands an extremely strong form of evidence as of summer 2007 no deductions will be able to be made without an inventory and check in/out detailing what items are in the property and what condition the property is being handed/returned.

### **UTILITIES**

We advise the Tenants in writing that it is their responsibility to inform the utility companies (Telephone, Electricity, Gas and Water) and the Council Tax office of their occupation. We supply contact address and telephone numbers to facilitate this. City Docklands can not be held responsible for tenant's failure to transfer bills into their name(s). Due to Data Protection we are often unable to liaise with utility companies on tenants or landlords behalf. All tenants sign a letter produced by City Docklands confirming that they have moved in which is sent to the utility companies and local council tax office as advised by the landlord.

### **NOTICES**

On receipt of a notice to terminate the Tenancy Agreement from the Tenant(s) or Landlord, we would immediately advise the other party of this notice and make the necessary arrangements for a check-out (where appropriate) as well as commencing the search for replacement Tenants, if appropriate.

### **RENEWALS/EXTENSIONS**

It is most common for periods of one year to be adopted when agreeing the initial letting, but this will vary according to individual requirements. If the Tenants wish to stay on at the end of their agreement, then we will endeavour to seek a rent increase

for you at the time of renewal. If the initial period is for more than one year, then a fixed rent increase can be negotiated at the beginning and a fee will be due to City Docklands in accordance with our scale of charges on page 6.

## **C) MANAGEMENT SERVICES**

### **RENT COLLECTION**

We pay rent to the Landlord as instructed and prepare a statement of account, showing deductions. We are pleased to offer the facility of monthly or quarterly payments and these will be itemised on the Landlords statement to the Landlord or nominated banker, subject to:

- a) The landlord's account being in credit without invoices awaiting payment.
- b) Full details being provided for general expenditure to be paid by us including fees and commission.
- c) Accounts are processed and cleared monies paid out on the Tuesday and Friday of each week. City Docklands are unable to pay monies that have not cleared into our account.

### **REPAIRS**

Repairs are undertaken within our normal management services and subject to contrary instructions; our management includes the instructing of contractors to undertake minor repairs up a maximum of £200. In case of emergency or in order to comply with the obligations of statute the Company will take such measures in relation to the Property as it considers appropriate in all the circumstances. It should be noted

that, at all times City Docklands Estate Agents act as owners Agents for the purposes of instructing for any and all works at or on a Owners property, and are never the principle for such works. Bills and invoices raised by all third party contractors are properly raised to landlords accounts and will be settled by City Docklands on behalf of the owner, from the owners cleared funds held in account with us. Where funds are not being held it is the owners responsibility to settle any outstanding accounts.

Note: Except in the case of emergencies should the Landlord elect to undertake their own repairs or use their own contractors, contact will be direct with the tenant and all payments made direct to the contractor by the Landlord.

Note: In order to fulfill the owner's obligations under the Landlord and Tenant Act 1985 it may be necessary to attend to a repair in excess of the mandate if the Owner is not contactable. A copy of the Landlord and Tenant Act 1985 is available on request.

### **Property Visits (optional)**

Interim property visits can be made during the period of the letting to ensure the premises have been used in a proper manner and check whether there are any maintenance areas either required or monitored as well as to ensure the property is being well maintained, upon completion of a visit a report will be typed and sent both to yourself and the tenant, if there are any areas for concern these will be clearly

noted and detailed, city docklands are not surveyors and therefore the report is of their findings on the day of the walk round and will detail items that are clearly visible at such time. Property visits are charged at £50 per visit. City Docklands recommend at least two visits to be carried out during the course of a twelve month tenancy at times requested by the landlord.

## **MAIL**

We recommend that you advise the Post Office of your forwarding address and complete the appropriate re-direction agreement. These are available at any local Post Office. Your tenants can be requested to forward any letters that may arrive from time to time to you, or a relation for onward transmission. But we would recommend a redirection through the Post Office. Please indicate if you wish your tenants to forward mail and confirm where you wish the mail to be forwarded.

## **BREAKAGES AND DILAPIDATIONS**

Upon receiving the final check out from the inventory company (where appropriate) the landlord will be expected to instruct the agent immediately if they wish any remedies to be made, if no dilapidations are to be made the landlord should instruct the agent to return the deposit immediately. Forwarding addresses will be provided in order to send any correspondence and the check out report, as well as to advise any utility suppliers (where necessary). Where the deposit is held by City Docklands as Stakeholder under the TDS Scheme, City docklands must advise the tenant of any amounts wished to be deducted within 10 days.

## **STRUCTURE**

We will notify the Landlord of any structural or other serious defects of the premises or contents, which come to our notice or which are notified to us by the Tenant, and if the cost is likely to exceed the amount specified in paragraph C3, seek the Landlords instructions thereon.

## **TAX**

A charge will be made to cover the costs of liaising with the Inland Revenue with reference to the Landlord's tax liabilities. In the case of non-resident Landlords, a minimum fee of £350 per annum will be made in view of the City Docklands obligations to collect tax (see page 10) and liaise with the tax authorities.

## **D) GENERAL NOTES**

1. If the Landlord has a mortgage, it is normal for mortgages to require notification of any proposed letting and the Landlord should seek their initial consent. In the case of Leasehold premises the consent of the Head Lessee or Freeholder will be required. The Landlord should also advise his Insurance company of the proposal to let the property and this may require An increase in the premium. Documentation of these approvals will be Required before the tenancy commences.

2. If the property is let as furnished, then a Landlord should leave the Property sufficiently furnished for it not to be necessary for the prospective Tenant(s) to seek additional items of furniture or crockery.
3. We would recommend that items of sentimental or antique value, either be Removed or locked in a safe place out of use. Our Inventory Clerks do not Specify whether a particular item is valuable or not.
4. Warranties and details of suppliers of mechanical and electrical items should Be left with the Tennant or with ourselves. For the central heating system we would recommend a maintenance contract either with a private firm or the Gas board, as repairs for this item could be costly. Essential garden equipment where applicable should be available unless a gardener is employed.
5. We require full details and a copy of the insurance schedule and policy for buildings and contents and would strongly recommend full comprehensive cover be maintained together with any additional cost in respect of any furniture. If required we can advise and arrange the appropriate cover through our independent Brokers. A fee of 10% of the premium is charged for this service.
6. Under current legislation the Tenants are directly liable for the payment of Council Tax, except in the case of student occupation or where the premises are in multiple occupation under a single band assessment.
7. We seek to secure the payment of rent by Bank Standing Order and our management staff make every effort to collect rent on the due date. In the event of the failure of the occupiers or the bank(s), we cannot undertake to be responsible for short falls or losses that occur.
8. The telephone can be transferred to the ingoing occupants, but it is essential that it is put in their name. At the termination of a single period the telephone will be transferred to the Landlords name in the event of no immediate on going occupation, for which there will be a British Telecom transfer charge.
9. In the event of the Landlord's property being let to include a television, It is the Landlords responsibility to provide the licence.
10. Our Management will commence from the date of the Tenants first entry Into the property under the terms of the completed Agreement. Should the Landlord wish us to maintain the property prior to this period, arrangement Can be made by agreement directly with our Management Department.
11. Our Management department will not deal with any matters ongoing prior

to receiving instructions, for example, environmental notices requesting works or the chasing of previous arrears. Such ongoing matters can be dealt with by City Docklands under a separate agreement.

12. It is the responsibility of the Landlord to ensure that all furnishings and Appliances comply with current regulations. We can arrange for an interim inspection to ascertain this for a fixed charge.
  
13. Landlord and Tenant Law is complicated. If there are any aspects with which you are uncertain you should consult your Solicitor or we would be happy to advise you further.

## **E) LEGISLATION**

### **FURNITURE AND FURNISHINGS**

In 1988 the government introduced new regulations on the use of any filling material or re-upholstery whether foam or non-foam and the requirements of furniture to meet the "cigarette test" introduced in 1980. From March 1993 all newly rented furnished properties should only be furnished with contents that meet the "cigarette test" and carrying the appropriate label. Furniture manufactured prior to 1950 is exempt from these regulations as the Department of Trade and Industry has pointed out that most of the defective materials that cause fire were not in use prior to 1950. All furniture manufactured after 1983 should already comply with the regulations but there is particular concern for foam filled furniture manufactured between 1950 and 1983. The Landlord must ensure that Furniture complies with the above legislation before Tenant(s) occupy the Property and any furniture failing to comply must be removed by the Landlord and stored at the Landlord's expense. All properties must also have a smoke alarm fitted. (Further information can be obtained from the DTI, Consumer Unit Room 302/303, 10-18 Victoria Street, London SW14 0NN).

### **THE GAS SAFETY (INSTALLATION AND USE) REGULATIONS 1994**

On 31<sup>st</sup> October 1994 came the Gas Safety (Installation and Use) Regulations 1994 came into force. Under Regulations 35(2) it is the duty of any person (i.e. Landlord) who owns a gas appliance and pipe work installed in the premises to ensure that such appliance and pipe work installed in the premises to ensure that such appliance and pipe work is maintained in a safe condition so as to prevent risk or injury to any person. The Regulations cover all appliances and all types of gas for heating, lighting, cooking or other purposes for which gas can be used. The owner (i.e.: the Landlord) of any gas appliance must ensure that each appliance is checked for safety at least every 12 months by a qualified gas engineer, e.g. an employee of British Gas or a CORGI registered person. A record must be kept of all safety inspections and the results open to the Tenants inspection by law. The landlord must have a Gas Safety Inspection carried out before a Tenant(s) occupies the Property and signs the tenancy agreement (Further information can be obtained from British Gas on 0800 300 363). A copy of the certificate must now be given to the tenant before the tenancy commences. If the Landlord is unable to, City Docklands will provide the certificate at the Landlord's expense.

## **THE ELECTRICAL (SAFETY) REGULATIONS 1994 AND THE PLUGS & SOCKETS ETC. (SAFETY) REGULATIONS 1994**

- It is a criminal offence to supply unsafe electrical equipment with rented accommodation. The maximum fine is £5,000.
- The above regulations apply to portable domestic electrical equipment such as:  
Electric heaters, lamps, televisions, radios, vacuum cleaners, irons, toasters, microwaves, refrigerators and other kitchen equipment.
- Built-in electrical goods such as cookers and certain storage heaters are not covered by the Regulations; however, Landlords should be aware that any person injured by the Landlord's property could sue for damages.
- Electrical items must be examined by a qualified electrician prior to Tenants taking occupation and if required we can instruct an approved Contractor to carry out this check on your behalf. The portable appliance test must be undertaken for each new set of tenants.

## **TAX**

Current legislation governing the collection of tax on rent income for non-resident Landlords came into effect from April 1996 under the 1995 Finance Act. The main changes affecting non-resident Landlords are as follows:

- a) The Act will not affect the Landlord's actual tax liability but it will affect the way in which monies are collected by the Inland Revenue.
- b) A non-resident Landlord will be able to apply directly or through his UK accountant to the tax from the rental income. If granted and confirmed by the Inland Revenue this will enable the agent to release the rent gross without making a tax retention thereby easing the Landlord's tax retention thereby easing the Landlord's tax flow. Joint owners must each apply to the Inland Revenue.
- c) If the Landlord is not granted self-assessment, the agent will have to pay to the Inland Revenue on a quarterly basis the appropriate income tax percentage of the net rentals. The calculation for tax paid by the agent will not include mortgage interest, depreciation or other tax-deductible items. Any overpayment of tax will then need to be reclaimed at the end of each tax year by the Landlord submitting a statement of accounts to the Inland Revenue directly.
- d) When considering applications for self-assessment the Inland Revenue will look favourably on Landlords who have their tax affairs in order to April 1995.

## **HOUSING ACT 1996**

On Friday 28<sup>th</sup> February 1997 there is no longer the need for a private Landlord to serve a Notice of an Assured Shorthold Tenancy Agreement. All new Tenancies are automatically deemed to be Assured Shorthold Tenancies. The new legislation has also ensured that Landlords are now able to evict Tenants more easily for rent arrears.