

# MANAGEMENT AGREEMENT

Relating to

Between

And

XXXXXXXXXX Ltd

**THIS AGREEMENT** is dated

## **PARTIES**

- (1) [insert Landlord's name and address]
- (2) [insert your company name and address]

## **BACKGROUND**

The Owner owns the Property and has agreed to allow the Manager to manage the property in accordance with the terms of this Agreement.

## **AGREED TERMS**

### **1. INTERPRETATION**

- 1.1 The definitions in this clause apply in this Agreement.

**Effective Date:** Means the date of this Agreement.

**Insurance Premium:** The Insurance Policy premium payable to the Insurer under the terms of the Insurance Policy.

**Insured Risks:** The risks insured against being loss or damage by fire (including lightning and thunderbolt) storm, tempest, explosion, aircraft (and things dropped therefrom) and aerial devices and impact, civil commotion, floods, burst pipes and such other risks or perils as the owner shall from time to time reasonably determine.

**Insurer:** Such company or organisation which provides the Insurance Policy.

## **Management**

- a. Keeping the property in good repair and condition, including the arranging of carrying out any works, arising out of statutory requirements and renewing any appliances or chattels at the owner's request, at the manager's expense up to £250, which are beyond reasonable repair, provided that:
  - (i) The obligation does not include works or repairs to the structure, roof, foundations or exterior of the Property or works arising out of the occurrence of any insured risks and
  - (ii) The obligation will not oblige the Manager to keep the Property in any better state of repair or condition than at the date of this agreement.
- b. Subject to prior receipt from the owner of the relevant insurance proceeds, to expend such proceeds (but no more) in making good the damage or destruction that occurred.

And at all times carry out such duties in accordance with the principles of good estate management.

c. The Owner hereby gives full authority to the Manager to manage the Property and let it out on Assured Short Hold Tenancy Agreements or Serviced Accommodation to whomever they see fit for the duration of this Agreement.

**Mortgage:** The mortgage dated *(Date)* in favour of the Mortgagee.

**Property:** The freehold property known as *(Address of property)* which is registered at HM Land Registry under title number *(Title number)*.

- 1.2 The rules of interpretation in this clause apply in this Agreement.
- 1.3 Clause and Schedule headings do not affect the interpretation of this agreement.
- 1.4 Except where a contrary intention appears, a reference to a clause, Schedule or Inventory Report is a reference to a clause of, Schedule or Inventory Report to this Agreement and shall be governed by the same rules of interpretation and law.
- 1.5 Unless otherwise specified, a reference to a law is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.6 A **person** includes a corporate or unincorporated body.
- 1.7 **Writing** or **written** includes faxes but not e-mail.
- 1.8 Any obligation in this Agreement on a person not to do something includes an obligation not to agree or allow that thing to be done.
- 1.9 Any reference to the **Owner** or to the **Manager** includes their respective personal representatives and successors in title. Words importing one gender shall be construed as importing any other gender.
- 1.10 Words importing the singular shall be construed as importing the plural and vice versa.
- 1.11 Where any party comprises more than one person the obligations and liabilities of that party under this Agreement shall be the joint and several obligations and liabilities of those persons.

## 2. **APPOINTMENT**

The Owner hereby appoints the Manager to be and the Manager hereby agrees to act as manager of the Property. This appointment shall take effect from the Effective Date.

### **3. MANAGER'S DUTIES & OBLIGATIONS**

#### **3.1 During the continuance of its appointment the Manager shall -**

- a. Observe the terms of the insurance policy so far as they relate to the Property.
- b. Following damage or destruction to the Property (unless the Manager shall terminate this Agreement in accordance with the provisions of clause 7.1 below) and subject to receipt of the insurance proceeds, use reasonable endeavours to procure the reinstatement, repair or reconstruction of the Property and to use any insurance proceeds in respect of such works only (and the Owner undertakes to instruct the Insurer to pay any insurance proceeds to the Manager for this purpose or to indemnify the Manager from and against all costs and expenses incurred in connection therewith).
- c. Attend to the management of the Property.
- d. Keep the Owner informed of relevant matters affecting the Property which a reasonable property owner would consider relevant.
- e. Arrange for any rental deposit to be adequately protected under the rules of the UK Tenancy Deposit Scheme (TDP) and to indemnify the Owner against failure to comply.
- f. Pay:
  - (i) All costs arising from management of the Property;
  - (ii) All Council rates which are imposed on the Property and which may relate to income received by the Manager (other than any taxes payable by the owner);
  - (iii) All charges for electricity, gas, water and other services consumed or used at the Property (including meter rents); and
  - (iv) All costs expenses and demands arising from a sub-tenancy including (but not limited to) the costs of complying with all statutes and laws in relation to the tenancy and obtaining a Court Order for possession of the Property.

### **4. OWNER'S DUTIES & OBLIGATIONS**

#### **4.1 During the continuance of this Agreement the Owner shall -**

- a. Pay the Mortgage Payments on the due dates;
- b. The Owner will keep in place adequate insurance and observe the terms of insurance policies so far as they relate to the Property.
- c. (At the direction of the Manager) notify any tenants in writing that rent and other payments should be made to the Manager or as he shall direct;
- d. Immediately forward to the Manager any monies received by the Owner direct from residents/occupiers/tenants of the Property after the date hereof;
- e. Provide all information which the Manager shall reasonably require in relation to managing the Property.

- f. The Owner warrants that he/she/they has/have obtained consent from all/any mortgage lenders who have a charge on the Property in relation to subletting of the rooms/entire property.
- g. Action any and all substantial repair work and maintenance arising at the Property within a two-week time frame of being made aware by the Manager thereof, with completion of works to be within 30 days of being made aware by the Manager.
- h. To ensure all conditions and requests made by the relevant authorities relating to Planning and Licensing of the property are addressed satisfactorily both prior and during the entire term of the Management Agreement.

## **5. FEES**

- 5.1 In consideration for carrying out duties under this Agreement and excluding the agreed fee payable to the Owner, the Manager shall be entitled to retain all rents payable by the tenants, in exchange for carrying out duties and obligations pursuant to this Agreement.

## **6. LIABILITY**

- 6.1 The Owner shall ensure that there is promptly provided to the Manager all such information as shall be required to enable the Manager properly to perform his duties under this Agreement and no liability shall attach to the Manager by reason of his having acted or omitting to act where such action or omission resulted directly or indirectly from any failure or delay in providing such information.

## **7. TERMINATION**

- 7.1 This Agreement may be terminated at any time by the Manager by one months' notice in writing to the Owner at any time OR immediately by notice in writing to the Owner if at any time: -
  - a. The Owner shall, in respect of an individual become bankrupt or unable to pay their debts or have no reasonable prospect of being able to pay their debts within the meaning of section 267 and 268 of the Insolvency Act 1986, or in respect of a company goes into liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager);
  - b. The Owner shall commit a serious breach of the provisions of this Agreement and/or shall not have remedied that breach within thirty days after the service of notice requiring it to be remedied.
  - c. If any change in the Law or Regulation relating to the operation of Management Contracts results in the manager being unable to operate the property under the terms initially agreed at the commencement of the management agreement. (In such event the manager would aim to renegotiate with the owner and offer a revised amount based on the limitations of any given change).

7.2 This Agreement may be terminated by the Owner by one months' notice in writing to the Manager if at any time:

- a. The Manager shall, in respect of an individual become bankrupt or in respect of a company goes into administration or liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Owner; such approval not to be unreasonably withheld or delayed);
- b. The Manager shall commit a serious breach of the provisions of this Agreement and shall not have remedied that breach to the Owner's reasonable satisfaction within thirty days after the service of notice requiring it to be remedied.

## 8. GENERAL

8.1 The parties hereto are not in partnership with each other.

8.2 This Agreement is for the benefit of the parties to it and is not intended to benefit or be enforceable by anyone else, save that the Manager may assign the benefit and burden to another who shall then be the Manager.

## 9. NOTICES

9.1 Any notice given under this Agreement must be in writing and signed by or on behalf of the party giving it and be served by delivering it personally or sending it by pre-paid first class post or recorded delivery or fax to the address and for the attention of the relevant party as follows:

- a. To the Owner at:

(To be completed)

Or to the Owner's agent or to such other address, or for the attention of such other person, as was last notified in writing by the Owner to the Manager.

- b. To the Manager at:

10. [insert your company name and address]

Or to the Manager's agent or to such other address or for the attention of such other person, as was last notified in writing by the Manager to the Owner.

10.1 Any such notice shall be deemed to have been received:

- a. If delivered personally, at the time of delivery.
- b. In the case of pre-paid first class post or recorded delivery, on the second working

day after posting; and

- c. In the case of a transmission if sent before 4.30pm, or on the next working day if sent after that time.

10.2 In proving service, it shall be sufficient to prove that delivery was made or that the envelope containing the notice was properly addressed and posted as a prepaid first class or recorded delivery letter or that the message was properly addressed and transmitted, as the case may be.

10.3 A notice given under this Agreement will not be validly served if sent by e-mail.

## 11. JURISDICTION AND GOVERNING LAW

This agreement shall be governed by and constructed in accordance with English law and the parties submit to the jurisdiction of the English courts.

## 12. Additional Clauses

This Agreement has been entered into on the date stated at the beginning thereof.

### Fixtures and Fittings:

The Manager will spend/invest up to [£1,000] on fixtures and fittings (Investment Amount) which will remain in the property of the Landlord after the duration of this contract.

### Fee:

- A monthly fee of [£] to be paid monthly in advance by the Manager to the Owner
- Refundable deposit of [£] to be paid by the Manager to the Owner which will be registered with a government deposit scheme
- All utility bills and council tax on account of the Manager.

### Contractual Term:

- A term of 3 years beginning on [ ] 2020 and ending on [ ] 2023
- The first months rent is to be paid after 4 weeks rental free period. Therefore, rental to be paid on [ ] of each month.

This Agreement has been duly executed by the parties hereto as a deed the day and year first before written.

Signed. (Owner of Property)

Date.....

Signed. (Property Manager)

Date.....