



# Professional Series Tenancy Agreements

- 100% Compliance Guarantee
- Compliance Support
- 25 years experience

## INTRODUCTION



tenancy agreements." "Compliance support guarantee."

"Comprehensive guidance notes."

"Be a yardstick of quality...an environment where excellence is expected" Steve Jobs, Apple

"Over 20 years experience in publishing

"Approved by main lenders."

In today's highly regulated letting environment, a lettings business needs to ensure that its paperwork is correct, as legal mistakes can be costly to both the agent and the landlord.

The Letting Centre was established in 1993, and is a highly-respected and independent organisation providing support and publications to landlords and businesses involved in lettings and property management. At this early stage, we set out to create a set of comprehensive legal documents for the lettings industry that were, at the time, unique in their approach. Developed in conjunction with experienced property lawyers, our new forms set a benchmark for both readability and useability.

### Readability

Back in the early 1990's the vast majority of letting agreements were long, complex and peppered with legal jargon quite incomprehensible to the average tenant. Organisations such as the Plain English Campaign were raising the unthinkable notion that legal documents could be more open and readable without recourse to lawyers and legal advice - shaking the very foundations of the legal profession. We aimed to produce a plain English tenancy agreement that would be legally watertight and could be reproduced over two or three A4 pages.

### Useability

We understand that the professional lettings environment can be different from the simpler documents used by private landlords. From the outset,

we provided alongside our tenancy agreements, a set of comprehensive guidance notes to explain exactly how the agreements work in practice. The notes ensure that practitioners are using the correct form of tenancy agreement, and advise on key details such as statutory notices, and procedures dating, signing and witnessing of legal forms - advice that all contributes to a safer and more watertight legal document.

The tenancy agreement guidance notes additionally contain example clauses that can be added to the tenancy agreement in specific situations (e.g. blocks of flats) where enhanced tenancy restrictions often apply.

## **Quality and Reliability**

More than anything else, we recognise that landlords and their agents are working in a busy environment and they want the peace of mind that their tenancy documentation will be robust and reliable in all cases, especially where there is a problem tenant. Our careful drafting and proofing process helps to eliminate any possible errors in the development process and the Guidance Notes provided for each agreement help to ensure that practitioners have the correct advice on how the documents can be used to ensure problem-free lettings.

# "Document tracking and integrity is crucial to maintaining the quality of our agreements"

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# SAFETY

From the outset, the Letting Centre Professional Series Tenancy Agreements were designed to be safe and secure. Residential tenants are protected by multiple layers of legislation and mistakes in the tenancy documentation can be costly and fatal to the integrity of the landlord's property interest. The law seeks to achieve a sensible balance of rights in the modern landlord tenant relationship, but only a well-drafted tenancy agreement can achieve this balance in practice.

#### **Dedication to Excellence**

Since the outset, we have designed our tenancy agreements to be robust in real letting situations. Our pedigree of legal publishers of industry publications such as the Letting Handbook and the Letting Update Journal gave us the necessary mix of legal knowledge and practical experience. The documents undergo careful drafting and checking by our inhouse legal team to ensure they are both legally valid and robust in operation. The legal agreements are also externally vetted by an independent housing barrister.

### **Regular Review**

Housing Law is continually undergoing change by way of new Acts of Parliament, case law and legislation. Excellence can only be consistently delivered if the documents are regularly reviewed and updated. We ensure that all our Professional Series forms are kept up-to-date by continually monitoring any feedback from new legislation and customers in the field and carrying out an annual review of our full product range.



## Quality, Integrity and Document tracking

For the Letting Centre, document tracking and integrity is crucial to maintaining the quality of our agreements. Our documents will regularly be relied upon in court during possession applications and other tenancy disputes so the integrity of our forms and agreements is of paramount importance. From the outset, we have maintained change records for our key legal documents so that every document change is recorded with the reasons for the change, and every document undergoes proofing and legal checks before release. Starting in 2007, we have implemented a database-backed document tracking system to help us in the development and tracking of all our legal documents. Each document is assigned a unique reference number so that its origin and integrity can be assured.

### **Quality Assurance**

Complete confidence in document quality means that we supply all our tenancy forms and agreements with a money-back guarantee if our clients are dissatisfied with the documents that they receive from us. We further protect our clients by our Compliance Support Guarantee - discussed further on page 5.



## "Smart things come in small packages"



Our concise plain English tenancy agreements are no longer a novelty - 20 years after we first introduced them in 1994. Easy to use, many legal publishers now adopt a similar style to legal agreements. Carefully written and understandable by the expert and layman.

# PHILOSOPHY

The current smartphone contains the power of a 1970s mainframe computer in a package that fits in your palm - a miracle of design and product engineering. In our own less dramatic way, we have developed a series of robust and powerful legal agreements that are comprehensive but can fit onto five easily readable A4 pages. Why would you want to burden your clients with a 10 or even 20 page tenancy agreement when an equivalent agreement can be written in plain English in only five pages\*?



### Legal Jargon

When we introduced our first tenancy agreement back in 1993, we spent three months in development and our drafting team included specialist housing lawyers as well as experienced letting practitioners. At the time, contemporary tenancy agreements were anything but plain English - they were tediously lengthy and incomprehensive. Many were crammed with esoteric legalspeak and lawyer's jargon which was often incomprehensible to the average tenant.



Our lawyers took this time-honoured traditional style and slowly converted the long and obscure phrasing into a document that could be more easily understood. We were not alone; the Campaign for Plain English was advocating a similar philosophy for all documents designed for consumer use and new regulations were imposed on the legal profession encouraging the use of plain and simple English. This is the style we have adopted for all our documents.

## Regulating Consumer Contracts

Following regulations introduced in the late 90's (Unfair Terms in **Consumer Contracts Regulations in 1999** (UTCCR)), the law now requires that all consumer contracts (including tenancy agreements) should be drafted so as to be comprehensible not only to lawyers, but also to the individuals who will be affected by them. Under the new regulations, any clause in a consumer contract that is either unfair, or is not written in plain English, can be struck out by the courts and will thus be unenforceable. It is a tough restriction on any traders drafting a new consumer agreement but it has radically altered the shape and form of legal agreements in use today.



"Never use a long word when a short one will do" George Orwell

## Traditional tenancy wording

ALL THAT dwellinghouse with the appurtenances thereto belonging situate at and known as (hereinafter called "the Premises")

### Plain English wording

Property: the dwelling known as

\*The UTCCR were replaced by the Consumer Rights Act in 2015 but the requirement that contract terms are to be written in plain and intelligible language still applies. The Regulations require that contracts must be intelligible to ordinary consumers without legal advice. The Competition and Markets Authority takes the view that consumer contracts should ideally be written using normal words in their normal sense and that legal jargon should be avoided wherever possible. If there is doubt about the meaning of a written term, the interpretation most favourable to the consumer shall prevail. Legal jargon permeates many legal agreements not only because lawyers like to make things complicated for us. Phrases such as 'the Landlord may reenter and the Tenancy shall absolutely determine without prejudice to the rights and remedies of the Landlord' are generally meaningless to the average tenant but such phrases are safe as they are tried and tested and have developed an established legal meaning in law through centuries of use.

For most legal publishers, it has been easier to continue to use the established legalise than to take the trouble to reword their agreements in plain English.

#### Legal requirement

Since the introduction of the UTCCR in 1999, this type of legal jargon is no longer acceptable. Plain English is no longer a luxury; it is now a legal requirement (\*see note on page opposite). The legal profession has been slow to catch up - especially with regard to tenancy agreements and similar property contracts.

By contrast, The Letting Centre has adopted a plain English drafting style from the outset, and so we got ahead of the game at the beginning. We were also one of the first legal publishers to submit our agreements to the Office of Fair Trading for approval in the late 1990's before these regulations took effect.

#### Accuracy

Excessively long agreements seem to go hand-in-hand with unreadable legal terms. We believe that both represent poor drafting practice as the tenant is unlikely



to attempt to read and understand the document properly. By contrast, a concise agreement written in plain English is not only easier to use, it is often safer and easier to maintain as mistakes often remain hidden in longer documents.

We often receive lengthy agreements for checking (30 pages is the current record!) where the standard clauses are inappropriate and unenforceable.

#### Flexibility

We recognise that each landlord or agent has their own individual business style and some letting situations require specially-drafted wording to suit the particular tenancy situation.

We have designed the Professional Series tenancy agreements so that the standard wordings can be amended to suit each practitioner's trading style and terms. Some properties (e.g blocks of flats) may have special letting restrictions or requirements imposed on them by the headlease and our guidance notes include example clauses that can be added to the agreement to make your tenancy compliant with such headleases. All these additional clauses are provided within the Letting Centre's unique Drafting and Guidance Notes.

## COMPLIANCE

A well-drafted and legally up to date tenancy agreement is a vital ingredient of successful property management, yet we don't expect you to just take our word for it. Our lengthy compliance process has resulted in tenancy agreements that have been accepted by the Office of Fair Trading and regularly approved by the main banks and lenders for mortgaged property.

#### Drafting and Checking

The Letting Centre agreements have undergone careful drafting and checking with the assistance of our own housing lawyers and reference to Guidance on Unfair Terms. The early development of our agreements included an extended period of negotiation with the Office of Fair Trading to help ensure that the agreements were both legally valid yet robust in operation. The tenancy agreements have also been drafted in consideration of the Tenant Fees Act 2019 which prohibits landlords and agents from charging certain fees to tenants.



### **Compliance Support**

Our Professional Series tenancy agreements are widely used in the industry and have been approved by the major UK banks and mortgage lenders. As we believe our agreements are carefully drafted we provide our customers with a guarantee that if, our standard agreement is not accepted by any bank, building society, legal adviser or other similar body, then the Letting Centre will provide the necessary advice or support to ensure compliance.

### **Guidance Notes**

All Professional Series agreements are supplied with a copy of the Letting Centre's unique Drafting and Guidance Notes and are also backed by our 20 years experience in publishing tenancy agreements. The comprehensive legal notes explain the structure and purpose of each section of the agreement in detail and include over 50 additional clauses which can be added to the agreement in certain circumstances.

### **Tenancy Deposit Scheme**

The Housing Act 2004 introduced new requirements for tenancy deposits received on or after 6th April 2007. Landlords and Agents are required to protect any tenancy deposits received in connection with a new statutory assured shorthold tenancy created on or after this date (including statutory periodic tenancies where the deposit is not already protected) and serve certain prescribed information on the tenant. (\*see note on opposite page).



"We provide a compliance support guarantee to our customers"

\*The Housing Act 2004 (as amended by the Localism Act 2011 and the Deregulation Act 2015) requires that any tenancy deposit which has been received in connection with a new statutory tenancy on or after 6th April 2007 must be protected within one of the government approved schemes within 30 days of receipt. The landlord must also provide the tenant with certain prescribed information within 30 days of receipt of the deposit. Failure to do so will result in a penalty of between one and three times the deposit and landlords will be unable to serve a section 21 notice where any tenancy deposit held is not protected at the time the section 21 notice is given to the tenant.

## ASSURED SHORTHOLD TENANCY AGREEMENT

for letting a residential dwelling

#### Important Notes for Tenants

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#### **General Notes**

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Prior to the introduction of the Housing Act 1996 the majority of private residential lettings came under the system of assured and assured shorthold tenancies under the Housing Act 1988. The legal framework was amended on 28th February 1997 whereby such lettings on or after this date automatically become an assured shorthold tenancy.

Form A03

## AGREEMENTS

Since the introduction of the Housing Act 1996, the majority of modern private residential tenancies are created as assured shorthold tenancies. The Letting Centre Assured Shorthold Tenancy Agreements (A02 and A03) are designed to operate under the legal framework for residential tenancies established by The Housing Act 1988 (as amended by the Housing Act 1996).

#### A02 Let Only Version

This version of the assured shorthold tenancy agreement offers a secure form of letting agreement between the landlord and the tenant. Due to the high degree of security offered to landlords by assured shorthold tenancies, this concise form of agreement is often preferred by private landlords and tenants who find it easier to read and understand. The A02 assured shorthold tenancy agreement is also particularly suitable for use in 'let only' situations.

#### **A03 Agent Version**

The A03 assured shorthold tenancy agreement has been designed for use by agents and other professionals engaged in property management. The 'Agent' is cited as a party to the agreement and is given explicit authority to act on behalf of the landlord.

#### **Exceptions**

Although the most common form of tenancy is an assured shorthold tenancy there are important exceptions which should be noted. These include



tenancies with a resident landlord and lettings at a high rent of over £100,000 per annum. We have created a General Tenancy Agreement for use in these situations. Holiday lettings and business or company lettings also fall outside the provisions under the Housing Act 1988 (as amended by the Housing Act 1996) and separate agreements are available. These agreements will create a contractual or common law tenancy.

#### **Range of Agreements**

The Letting Centre range of agreements and supporting guidance notes have been drafted for use by landlords and property professionals acting in the capacity as agent for the landlord. The following agreements are available in a downloadable format:

- A01 General Tenancy Agreement
- A02 Assured Shorthold Let Only
- A03 Assured Shorthold Agent
- A03 Room Only
- A04 Holiday Letting Agreement
- A05 Company Letting Agreement
- A06 Licence Agreement
- A07 Contractor Terms
- · A08 Garage Licence
- Guarantor Agreement
- Example Agency Agreement

"We recognise that landlords and their agents are working in a busy environment and want the peace of mind that their tenancy documentation will be robust and reliable"



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