



# GUIDE FOR TENANTS

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## **Brief introduction**

Thank you for applying to rent a property through Sovereign House. The notes below are designed to answer some questions you may have about the process of renting a property.

## **Holding deposit**

Once an offer to rent a property has been accepted by the landlord, we will require you to pay a holding deposit. This is **£200 plus the reference cost** per applicant or in the case of a single applicant **£300 plus the reference cost**. The holding deposit will only be accepted in cleared funds (*i.e. cash or bankers draft*).

This holding deposit will enable us to withdraw the property from the market and commence referencing.

Please be aware that any holding deposits paid are NON REFUNDABLE in the event of the applicant withdrawing from the deal OR in the event of unsatisfactory references OR any false or misleading information given by the applicant.

If the landlord withdraws (*except for the reason of unsatisfactory references or false or misleading information given by the applicant*) the holding deposit will be returned to you.

**Reference costs are not refundable under any circumstances once referencing has commenced.**

## **References**

Once an offer to rent a property has been accepted by the landlord, we will need to carry out references on every prospective tenant over the age of 18. We use one of two referencing agencies. The main agency we use for most standard prospective tenants is **Maras** and each applicant will be given a form to complete. For special circumstances we may require the use of a different agency **Homelet** to carry out our reference checks. You will be fully informed if this will be the case.

Once the form has been completed and returned to us, we will then fax it to Maras/Homelet who will then begin the process of checking the references on our behalf. Please note that your credit status will also be checked. If you think you may have any CCJ's (*County Court Judgements*) or Defaults that could affect your references it is advisable to let us know in advance to avoid potential problems which could forfeit your deposit monies.

If for any reason the agency is unable to obtain the information they require, we reserve the right to make our own enquiries. Note that if there is more than one applicant, we are unable to start the referencing process until application forms are received from all parties.

**The cost of these references through Maras is £25.00 + VAT per person (£29.38)**



## Guarantors

There may be instances in which the reference company Maras may suggest a guarantor is needed to proceed with a tenancy. For example; students, self employed with minimal accounts information, contract and temp workers, newly employed applicants, part time workers or those on lower incomes or sporadic incomes.

If this is deemed to be necessary, any guarantor must also be referenced via Maras and will need to fill out an application form which on completion will be faxed to Maras for checking. Please bear in mind that this may delay the final results by a few days and could therefore affect the proposed moving in date. Also they will be required to sign a copy of a guarantor agreement. This means that they have a legal obligation to pay the rent and other outgoings relating to the property should you, the tenant, not.

Your guarantor therefore needs to have a reasonable sized income and **MUST** also be resident in England and Wales.

**It is advisable that before a guarantor is referenced they are fully aware of their obligations. We are happy to discuss this with them.**

## Types of tenancy agreements

The most common form of agreement is an Assured Shorthold Tenancy. The minimum term is usually six months although most tenants opt for a twelve month tenancy agreement. Break clauses in these agreements can normally be negotiated.

## Signing contracts

A tenancy agreement is drawn up once we are in receipt of satisfactory reference reports for all applicants (*and the guarantor(s) if necessary*). Before a tenancy can commence and before keys can be released, the tenancy agreement must be signed by all applicants. We do not accept signatures by fax or from any third party. All signatures must be original and must be received before the tenancy starts.

**An administration charge of £100 + VAT (£117.50) is made to you for the preparation of the tenancy agreements and all other documentation required.**

## Initial monies

Once the tenancy agreement is fully signed by all parties, you will be required to pay the final balance of initial monies. The breakdown is as follows:

1. One calendar months rent in advance
2. Dilapidation deposit equivalent to one month's rent \*
3. Reference costs (*£29.38 per person*)
4. Tenancy agreement charge (*£117.50*)
5. Inventory check out charge \*\*



*\* In most cases. Some landlords may require a larger deposit.*

*\*\* This is only payable should the landlord instruct Sovereign House to arrange the preparation of a professional independent inventory and check in & out. We will advise you about this if required.*

Initial monies MUST be received in cleared funds. There are numerous ways of doing this:

1. **Banker's draft** – Can be paid up until the day you move in. This option is preferable for everyone's security. All drafts should be made payable to "Sovereign House Estates Ltd".
2. **Cash** – Can be paid up until the day you move in.
3. **Bank transfer** – We can only accept this if you make the transfer to our bank account at least **7 (Seven)** working days prior to the commencement of the tenancy. We have to allow for any bank delays. Please note that if you chose this option we will not be in a position to release keys until the funds show in our account. If you wish to use this method, please ask for our bank details.

## Utilities

You as the tenant's as well as paying the monthly rent you are also responsible for the payment of gas (*if applicable*), electricity, water, telephone (*if applicable*), council tax and television licence (*if applicable*). It is the tenant's responsibility to change these utilities over into their own names

Under no circumstances whatsoever can we as a company eliminate your liability to pay any of these utilities if they exist. If you have any special circumstances which could affect the way you pay these companies you will have to speak with them directly.

## Council tax

Before taking any property on, you should check the amount of Council tax that is due on the property. Again as the tenant's you are held fully responsible to pay this.

- **London Borough of Hackney:** 020 8356 3154
- **London Borough of Tower Hamlets:** 020 7364 5000

## TV licence

The tenant's are held fully responsible for the TV licence whether the landlord has provided a television set or not.

## Insurance

It is the tenant's responsibility to insure their own contents.



## **Paying the rent**

A standing order mandate will be set up from your bank account to pay the rent on the same day each month.

The money will either go straight in to the landlord's OR Sovereign House's account depending on who is managing the property (*we will advise you on this at the relevant time*).

We will normally set up the standing order so the money leaves your account approximately **3** (*three*) days before the rent is due to allow transfer time from one bank to another.

If you are sharing with another party, you will need to let us know how you are apportioning the rent so we can set up the standing order accordingly.

## **Important information for SHARERS**

Where there is more than one tenant, please be advised that the tenancy agreement is classed as being "joint and several".

Effectively, this means that all named tenants are the "tenant" and all tenant obligations under the tenancy agreement fall to all of you equally.

The tenancy agreement (*and the law*) does not recognise split rent payments or split obligations.

Another example of this is notices. If one joint tenant serves a notice to quit, this will apply to all tenants and not just the person who wants to leave. The tenancy would terminate as a whole and all tenants would have to vacate.

New terms *may* be negotiated with the landlord but that is entirely at his/her own discretion.

## **Non-managed properties**

If the landlord is managing the property, the deposit will be held by the landlord and your rent will be paid directly to the landlord. The landlord will therefore deal with any maintenance issues and may well ask to inspect the property periodically.

## **Managed properties**

If Sovereign House is employed as the landlords managing agent, we will hold the deposit as stakeholders and the rent will be paid directly to us. We will therefore deal with any maintenance issues and may well inspect the property periodically on the landlord's behalf.



## **And finally**

Throughout the process you will be asked to sign various paperwork like forms, receipts and of course the tenancy agreements. Please be sure that you understand exactly what you are signing before you sign it and that you understand your obligations fully.

Please be assured that Sovereign House are a professional agency who will not mislead you, however, if you are unsure as to the content of any document you are being asked to sign, you may be advised to seek independent advice.

