Rent - Contract Conditions and Expectations

Dear all,

First and foremost, we would like to thank those of you that pay your rent on time every month without reminder. **Thank you.** This letter is **NOT** aimed at you, although you may find it informative and we **thank you** for taking the time to read it.

There have been a couple of incidents over the last few months relating to payment of rent. Its not enjoyable for either side to be chasing or chased for rent. So, we thought it would be useful to clarify the situation as outlined in the contract and how we work within it. We have spoken with Hopewell Properties and confirmed the details.

First, we will outline the legal situation and then we shall explain our procedures.

Rent Payment:

The contract states:

> *… and thereafter the sum of (rent) £2,700.00 should be paid on the 1st day of each month going forward commencing 1st August 2018 by standing order.*

Therefore, if the rent is not paid by the **1st of each month** by **standing order** you are in breach of your contract conditions. **Rent becomes late on the 2nd of every month.** At this point we are within our rights to attempt to contact you and remind you of your responsibilities relating to your rent.

Rent Arrears:

There are two clauses in the contract that relate to rent arrears:
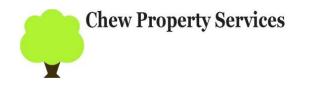
3.1 @ 14 days:

> *3.1: The Tenant shall pay interest at the rate of 4% above the base lending rate of Lloyds Bank Plc upon any Rent or other monies due under this Agreement which is more than 14 days in arrears in respect of the date from when it became due to the date of payment.*

This means that after **14 days** we can begin to start charging interest on the rent arrears. For example, if you were due to pay £450 on the 1st October and settled the arrears on the 15th you could theoretically liable for £749.25 if calculated using daily compound interest.

4.2 @ 21 days:

> *4.2: If the Rent or any part shall be in arrears for at least 21 days after it shall have become due (whether legally demanded or not) or if there shall be a breach of any of this Agreement by the Tenant, the Landlord may re-enter the Property (subject to the Landlord obtaining a Court Order for Possession) and immediately thereon the Tenancy shall terminate without prejudice.*

This means that after **21 days** we can officially begin eviction procedures against you regardless of whether we have legally demanded the rent from you. A legal demand is letter which makes a written demand for the non-payment of rent (a breach of the contract). In the case of our contract it would outline the conditions as detailed here. Typically, we would send the legal demand at 14 days but previous rent behaviour etc. would influence this. It may be earlier.

Chew Property Services

Joint Severance

Please note the following taken from your contract.

> *All Tenants will be jointly and severally liable for the Tenant's obligations contained within this Agreement. In the event of non-payment of Rent and/or other breach of the Agreement, any individual Tenant or group of Tenants may be pursued. This means that legal action may be brought against any one or any group of the Tenants. Notice to leave by any individual Tenant will also end the tenancy for all Tenants. The group of Tenants shall be known collectively as 'The Tenant' throughout this Agreement.*

This means that **you are all responsible for any arrears**. If one person was not to pay their rent, then the other five would be liable. Whilst we are keen to respect the privacy of an individual, there comes a point when we must disclose issues with the wider group. Typically, we will not do this before 7 days or if there is a resolution agreement with the student in arrears although we retain the right to notify the group earlier.

The Reality:

The simple reality is that we all want to avoid all the official penalties and legalities as detailed in 3.1 & 4.2 above.

We would suggest that you check prior to rent becoming due that the funds are available and/or that the rent payment has been successful. You should have a standing order set up and thus the rent should be paid without your intervention.

Communication is key

It doesn't matter how diligent we are - we all experience situations outside our control. If you know you are going to have problems with rent – get in touch and talk to us about it. We will agree: a way forward; a timeline; and work with you.

Making demands

If we don't hear anything from you and we have not received your rent by 2nd – to 4th of any month, we will:

1) Send a collective group reminder – at this point we would expect a timely response (with 48 hours) from you. Please check that your rent payment has been successful at this point.
2) If we get no response, we will send a personal reminder. Again, we would expect a timely response.
3) If we get no response, or we are not happy with the response, we may choose to contact your guarantor.

Guarantors

A financial guarantor may be applicable at any age. Citizens Advice define a guarantor as:

> A **guarantor** is a third party, such as a parent or close relative, who agrees to pay your rent if you don't pay it. Your landlord can ultimately take legal action to recover any unpaid rent from your **guarantor**.

In the case of non-payment of rent, we reserve the right to contact your guarantor. If they are not happy to be contacted, then they should not be your guarantor. We are confident that all guarantors would prefer to be contacted early enough during any issue, such that they have time to intervene and resolve, than be subject to interest payments and other contract conditions.

To finish, we would like to thank you all for taking the time to read this. Thank you again to those of you who do pay your rent promptly every month. We reiterate that communication is key.

Regards

Chris & T Davies-Barnard