



19A Chantry Lane Bromley BR2 9QL
info@primepm.co.uk
020 8466 1347

Property Management Agreement

This is an agreement made between

Prime Management (PS) Ltd
(hereafter known as “the manager”, “we” or “us”)

and

....
(hereafter known as “the client” or “you”).

for the management of

....
hereafter known as “the premises”

dated: ...

Start date of Contract:....

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1. Definitions

- 1.1 The “Client” means the residents’ management company, right to manage company or landlord named in the cover sheet of this agreement.
- 1.2 The “Manager” means Prime Management (PS) Ltd.
- 1.3 The “Premises” is the estate, scheme or development named in the cover sheet of this agreement. It includes all appurtenant property.
- 1.4 The “Management Fee” is the fee set out in the fee agreement in Appendix 1.
- 1.5 “Additional Charges” are the charge listed for additional services in Appendix 3.
- 1.6 The “Parties” means the Client and the Manager.
- 1.7 The “Term” means the term or period specified in the fee agreement in Appendix 1.
- 1.8 The “Review Date” means the review date specified in the fee agreement in Appendix 1.
- 1.9 The “Director(s)” means the director or directors of the residents’ management company or right to manage company named in the cover sheet to this agreement (if applicable).

2. Conduct of the Manager

- 2.1 The manager must at all times comply with the terms of the leases and/or contracts relating to the individual properties within the premises.
- 2.2 The manager must comply with the service charge residential management code of the RICS.
- 2.3 The manager must comply with the relevant landlord and tenant legislation relating to the management of premises as appropriate.
- 2.4 The manager must comply with health and safety, employment and all other relevant laws and regulations relating to the management of the premises.
- 2.5 The manager must hold professional indemnity insurance and maintain it during the term. On request, the client must be provided with the certificate.
- 2.6 The manager must at all reasonable times allow the client access to all records and accounts relating to the premises.

3. Conduct of the Client

- 3.1 The client must not issue instruction to the manager that would require it to breach the leases, contracts or codes of practice or any other regulations relating to the premises.
- 3.2 The client must use its best endeavours to provide all documents and information necessary for the manager to undertake the management services.
- 3.3 The client should not give direct instructions to the contractors or service providers working at the premises. Any instructions should be given through the manager.
- 3.4 The client is not required to have directors' and officers' liability insurance for the term but is advised to do so.
- 3.5 The client must keep the manager informed of any legal notices, sales of leaseholds or freehold, formation of residents associations, exercise of right to manage, enfranchisement or any other similar matter relating to the premises of which the client becomes aware.
- 3.6 When verbal instruction is given to the manager these should be confirmed in writing within seven days.

4. Services to be provided by the Manager

- 4.1 The manager will provide with reasonable skill, care and diligence the services set out in Appendix 2.
- 4.2 The manager will provide the additional services set out in Appendix 3 for the additional charges shown.

5. Fees and Charges

- 5.1 The fees and charges payable from the client to the manager are as set out in Appendices 1 and 3 and are payable without any right of set-off against any other account with the client.
- 5.2 The client authorises the manager to deduct management fees and any additional fees from the client bank account on the dates set out on the fee agreement.
- 5.3 It is hereby declared that all fees quoted in this contract include VAT.

6. Changes to the management fee and additional charges

- 6.1 On the review date the amounts payable under clause 7 may be varied by agreement between the parties.

7. Client Money

- 7.1 The manager will comply with RICS codes for banking and must hold any client money in a clearly designated client account.
- 7.2 The manager will open a designated bank account on behalf of the client in the name of the premises for the receipt of all money due to the client and for the payment of expenses relating to the premises.
- 7.3 The manager is authorised by the client to make payments on behalf of the client using client funds. For payments of a value over £100/unit the manager is to seek the approval of the client.
- 7.4 The client authorises the manager to deduct management fees and additional charges from the client account.
- 7.5 It is hereby agreed that any interest earned on the designated account(s) shall be a credit to that account.
- 7.6 The manager shall notify the client as soon as practicable of any lack of funds to pay for services.
- 7.7 The client shall put the manager in funds to pay for services required if there is a deficit for any reason.

8. Liability

- 8.1 The client indemnifies the manager against all costs, expenses and liabilities including legal costs incurred in properly performing the services under this agreement.
- 8.2 No liability shall be attached to the manager either in a contract or tort or otherwise for any loss, injury, damage or legal or other expenses sustained as a result of;
- a) the Manager having reasonably relied on the client to provide accurately all relevant information
 - b) any inaccurate forecast by the manager of future income or expenditure unless done so negligently
 - c) any defect in the premises, or plant and machinery, equipment or materials used for the premises whether or not such defect be latent or apparent upon examination
 - d) the act, omission or insolvency of any person other than the manager.
- 8.3 The client shall indemnify the manager in respect of any claims made by another or third party for any loss, damage or legal and other expenses incurred as a result of any one or more of those circumstances listed in 8.2 a) to d) above.
- 8.4 The manager shall not be liable to indemnify the client in respect of any claims made by another or third party for any loss, injury, damage or legal or other expenses incurred as a result of any one or more of those circumstances listed in 8.2 a) to d) above unless it be as a result of the manager's negligence.
- 8.5 The above shall be valid except insofar as prohibited by statute.
- 8.6 In no circumstances shall the manager be liable for any consequential loss or damage save where loss, death or injury results from negligence on the part of the manager. The entire liability of the manager under or in connection with this agreement shall not exceed £500,000.

9. Ending of the agreement

- 9.1 This agreement will be deemed to be renewed by mutual consent at the end of the term if written notice to terminate is not given by either party.
- 9.2 Either party can terminate this contract by giving not less than three months notice to the other party.
- 9.3 This agreement can be terminated at any time by mutual written consent of both parties.
- 9.4 The client may terminate this agreement at any time if;
 - a) The manager is in breach of this agreement, or
 - b) The manager becomes insolvent
- 9.5 The manager may end this agreement at any time if;
 - a) The client fails to pay the management fee within one months of notice of the fee/charges becoming due, or
 - b) The client acts in a manner which prevents the manager from performing services under this agreement.
- 9.6 Upon the ending of this agreement the manager will handover to the client all documentation relating to the premises at no fee.
- 9.7 Unless agreed otherwise all documents created by the manager during the period of this agreement for the client shall belong to the client.

10. Dispute resolution and complaint procedure

- 10.1 The manager will use every endeavour to provide management of the highest standard. However if any dispute arises over the interpretation or of compliance with the specific clauses in this agreement, such dispute is to be put in writing. The manager will undertake to work with the complainant to resolve matters to reach a satisfactory conclusion. All complaints will be dealt with by the manager within 14 days of first notification. If the complainant remains dissatisfied, the dispute should be put in writing to a director. Written complaints will be acknowledged by the director within 3 working days. The matter will be investigated and a full response provided within 15 working days.
- 10.2 The manager will maintain membership of an ombudsman scheme throughout the term of this agreement. If the complainant is unsatisfied with the director's response he/she can refer the matter to the ombudsman.

11. Data Protection

- 11.1 The manager confirms its registration under the Data Protection Act and its compliance therewith.
- 11.2 The manager will only retain information relating to the premises for the purposes of fulfilling this agreement and in accordance with the Act.
- 11.3 The terms of this agreement are confidential and neither party may disclose this agreement or its content to any individual, company or third party except if required to do so by law or by written agreement between the parties or in confidence to professional advisors.

12. Communication between the parties

- 12.1 Any communication or instruction from the client to the manager shall be made by a director or secretary of the client or person of equivalent authority.

13. Legal Jurisdiction

- 13.1 This agreement shall be governed by the law of England and Wales
- 13.2 Each party agrees to abide by the jurisdiction of the courts of England and Wales over any claim arising from this agreement.



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14. Signatures

Signed on behalf of the client.....

For ...

Print name.....

Signed on behalf of the manager.....

For and on behalf of Prime Management (PS) Limited

Print name.....

Appendix 1

Fee Agreement

- The basic annual fee for the agents standard management services is £
- The term of this agreement is 12 months, starting on
- The management fee is payable for the services in Appendix 2
- The management fee is payable by the end of the premises financial year
- The management fee and any additional charges must be paid to the manager in accordance with clauses 5 and 6 of the agreement
- The review date for the management fee and additional charges is each anniversary of the date of this agreement
- Collection of ground rent (if required) incurs a total fee of £

Appendix 2

The Services

- Opening and handling client bank account(s).
- Preparing and distributing annual service charge estimates/budgets.
- Preparing reserve fund plan.
- Collecting service charges and reserve funds including sending any required statements.
- Providing payment options to include cheque, transfer, standing order and debit/credit card.
- Processing and recording payments relating to the premises within any expenditure limits and subject to funds available.
- Accounting for service charges and provision of year end summary of income and expenditure.
- Providing information to accountants for preparing and certifying annual service charge accounts, to include all invoices, receipts and bank statements.
- Using best endeavours to collect any outstanding service charge arrears including sending one written reminder for payment but not to include any written final warnings or legal work.
- Arranging buildings and other insurance and dealing with claims.
- Arranging insurance valuation periodically (recommended every 5 years).
- Negotiating and entering into maintenance contracts on behalf of the client.
- Ensuring any plant and/or machinery at the premises is maintained correctly.
- Viewing periodically (not less than two times per year) the common parts of the premises to check condition and deal with any necessary repairs not including major works. Written record of inspection to be produced.
- Overseeing contracts for and quality of minor works and services such as cleaning, gardening etc.
- For works required of low value (<£100/unit) the manager is required to obtain one quote, for all other works at least three contractors will be invited to quote. The client may obtain quotes for consideration for any works.
- Ensuring the appropriate risk assessments are in place.
- Consultation with the client on management matters and qualifying works.

- Consultation with the client on long term agreements (except the appointment of a manager).
- Engaging and supervising staff for the property and dealing with matters relating to their employment other than pension and tribunal matters.
- Providing reasonable management information to the lessees and/or residents.
- Liaising with the client.
- Liaising with any recognised tenants or resident association.
- Dealing with day to day resident and lessee issues and taking instruction from the client with regard to such issues.
- Initial response to such enquiries to be given within 2 working days.
- Named contact to be provided with mobile phone and email details.
- Advising the client on relevant legislative, regulatory and lease interpretation and/or contracts for the premises.
- Maintaining suitable records and files on the management of the premises.
- Providing a reasonable number of copy documents at no charge.
- Arranging, attending and preparing minutes for one meeting per year (usually the AGM).
- Keeping records of residents and tenancy details where provided.
- Advising and liaising with the client on management policy.
- Issuing demands for administration charges and required summaries of rights.
- Providing management, leasehold and pre-contract information to solicitors and others on behalf of the client in connection with a sale, transfer or remortgage, for which a fee will be charged to the relevant party.
- Providing financial updates to the client on a reasonable regular basis.
- Acting as company secretary to the client (i.e. maintaining share/membership register, administering confirmation statement to companies house, liaising with HMRC as necessary) (excludes companies house fee for confirmation statement).
- 24 hour contact for emergencies.
- Access to online portal for lessees to enable individual account viewing and transactions.

Appendix 3

Additional Services at extra cost

The preparation of leasehold/contract information packs in connection with a sale, transfer or remortgage (14 day turnaround)	As required	£180 (charged to the relevant party)
Enhanced fast track response to above (pack provided next working day)	As required	£300 (charged to relevant party)
Receipting notices of transfer and/or charge in connection with a unit purchase	As required	£100 per notice (charged to relevant party)
Issuing share certificate to new owner	As required	£100 (charged to individual)
Preparing deed of covenant during unit transfer	As required	£100 (charged to individual)
Issue of section 20 notices	As required	£5/notice per flat (min fee £25)
Preparing specifications (in partnership with surveyor*), obtaining tenders and supervising major works *exclusive of surveyor fees (if a surveyor is not instructed and we are required to act as CA the fee is x2)	As required	Flat fee depending on cost of works: £0 - £1000: £100 £1000 - £2500: £150 £2500 - £5000: £250 £5000 - £10000: £400 £10000 - £20000: £750 £20000 - £50000: £1500 £50000+: £3000
Additional meeting attendance and minutes preparation	As required	£75 per meeting
Land registry search	As required	£10 per search
Providing certificate of compliance or consent	As required	£60 (charged to relevant party)
Preparing deed of covenant or licence to assign for subletting	As required	£100 (charged to individual)

Processing credit card payment	As required	3% of value of payment (deducted from payment prior to account credit being applied)
Administering return of unpaid cheque	As required	£20 (charged to individual unit)
Pursuing recovery of unpaid service charge following written reminder	As required	Reminder: £0 Final warning: £25 Legal review upon instruction of solicitors: £100 All charged to individual unit
Preparing for and attending FTT hearing	As required	£50/hour plus travel expenses
Dealing with alteration or improvement permissions	As required	£100 per alteration (charged to relevant unit)
Preparing fire risk assessment	Full RA every 5 years, review every 2 years (recommended)	Full assessment: 1-10 units: £200 11-50 units: £350 50+ units: £500 Review charged at 50%
Issue of parking permits in addition to first issue (initial issue is no cost)	As required	£10 (charge to individual)
Arranging removal of abandoned vehicle (excluding removal contractor costs)	As required	£100 (charged to owner if that person can be identified)
Additional site inspection visits at the request of the client	As required	£75/visit

Service	Frequency	Cost
Producing statement of expenditure for premises if no accountant is instructed	At end of financial year and only if required	£120
Handling request for any approvals under any lease or contract relating to a unit	As required	£100 (charged to the individual unit)
Dealing with any major insurance claim (in excess of £2000)	As required	£100
Setting up a parking enforcement scheme	As required	£150