



Surveyors, Auctioneers, and Estate Agents

TERMS OF BUSINESS FOR LANDLORDS OF RESIDENTIAL ACCOMMODATION

- A) LETTING ONLY
- B) LETTING WITH RENT COLLECTION
- C) LETTING WITH RENT COLLECTION AND FULL MANAGEMENT
- D) AGREEMENT FEE

In A) LETTING ONLY. Hentons,

- 1) inspect and estimate the value of your premises
- 2) advertise and market as may be necessary
- 3) accompany all applicants to viewings
- 4) negotiate the letting terms
- 5) draw up and execute the tenancy agreement
- 6) take up references on the tenant
- 7) arrange for the preparation of an inventory
- 8) hold rental/dilapidations deposits as stakeholders
- 9) generally advise the landlord on all aspects of the tenancy

In B) LETTING WITH RENT COLLECTION, Hentons, in addition to 'A' above,

- 1) collect rents on agreed periodic basis
- 2) prepare regular management statements and account to landlord

In C) LETTING WITH FULL MANAGEMENT, Hentons, in addition to 'A' and 'B' above,

- 1) contact the relevant utilities
- 2) make regular inspections of your premises
- 3) arrange for maintenance staff to attend
- 4) pay usual outgoings
- 5) liaise with the Landlord's accountants and solicitors
- 6) account to the Landlord on a regular basis

SUMMARY OF FEES

A)	LETTING ONLY	Two weeks rent plus VAT
B)	RENT COLLECTION	8% plus VAT of total rent payable during the Tenancy
C)	RENT COLLECTION AND MANAGEMENT	10% plus VAT of total rent payable during the Tenancy

THE FOLLOWING TERMS OF BUSINESS EXPLAIN YOUR CONTRACTURAL POSITION AND RESPONSIBILITY AS A LANDLORD AND AFFECT YOUR RELATIONSHIP WITH HENTONS AND TENANTS INTRODUCED BY HENTONS PLEASE READ CAREFULLY.

BY SIGNING ON THE LAST PAGE YOU WILL BE TAKEN TO HAVE ACCEPTED THESE TERMS OF BUSINESS.

PRE-INSTRUCTION REQUIREMENTS MORTGAGES AND LEGAL CHARGES

Where a property is subject to a mortgage or other legal charges, permission from the lender is usually required to let. Hentons require that the Landlord determines their own legal responsibility in this respect, and obtain the necessary consent at the earliest opportunity.

SUPERIOR LANDLORD

If the Landlord's interest in the property is not freehold but leasehold, permission to let from the superior Landlord is usually required, often by way of a licence to sub-let. Hentons require that the Landlord determines their own legal responsibility in this respect, and obtain the necessary consent at the earliest opportunity.

In no circumstances can the Landlord create a subA tenancy for a period longer than the interest they hold. Hentons may offer advice on all the above circumstances, but generally advise referral to the Landlord's acting solicitor.

LANDLORD TO OBTAIN ALL CONSENTS WHERE REQUIRED

POWER OF ATTORNEY

Where the Landlord is resident overseas it is recommended that legal power of attorney is placed with a UK based resident or professional advisor, so that instructions may be expeditiously obtained as situations arise.

PROPRIETORSHIP

Hentons accept, in good faith, receipt of instructions and information from the rightful owner, or person having due authority, of any property, and do not accept any liability where incorrectly instructed or informed.

JOINT OWNERSHIP

In the case of joint ownership the landlord must ensure that all other joint owners are named in the tenancy agreement and confirm that he/she is authorised to give instructions on their behalf.

INSURANCE

The Landlord must consult with their Insurance Company or brokers, to ensure that the property and all its contents are and remain adequately insured throughout the letting, and that the policy/ies allow for lettings.

DECOR AND CONDITION

The Landlord is required to ensure that the property, and all contents, have been cleaned and tidied, and that all is in a reasonable state of repair. The Landlord bears the responsibility of ensuring that all structures comply with the relevant Building Regulations, that all services have been correctly installed and are operational, and that all equipment is safe to use.

EQUIPMENT AND APPLIANCES

The Landlord confirms and warrants that all services, equipment and appliances, particularly burglar alarms, washing machines, gas fires and electrical and central heating systems have been installed by properly qualified persons in accordance with the manufacture's recommendations and any statutory regulations and have been checked and serviced by properly qualified service engineers, before the Tenant takes up occupation.

The Landlord authorises Hentons to carry out any inspection, which Hentons may in their discretion consider necessary at the Landlord's expense. If, as a result of such inspection, works are required to make any service, equipment or appliance safe to use, the Landlord irrevocably authorises Hentons to carry out such works at the Landlord's expense.

Fire and Furnishings Regulations

You hereby warrant to Hentons that all furniture and furnishings in the Property to be let and included in the letting (whether originally provided or added during the Tenancy) fully comply with the Furniture and Furnishings (Fire) (Safety) Regulations 1988 as amended by the Furniture and Furnishings (Fire) (Safety) (Amendment) Regulations 1989 and 1993.

Gas Regulations

The landlord must ensure that the gas supply and all gas appliances and fittings provided are safe and properly serviced and comply with the Gas Safety (Installation and Use) Regulations 1994. A Gas Safety Report will be required before the commencement of the Tenancy. A safety check should then be carried out on a yearly basis, by a Corgi registered engineer. You will indemnify us should a breach of these regulations occur during the tenancy.

Electrical Equipment and Wiring

You hereby warrant to Hentons that ALL electrical appliances plugs sockets and wiring in the Property and the electrical supply is "safe" and will not cause "danger" and complies with all statutory requirements. From 1 January 1997 all new electrical appliances must carry a "CE" mark and instruction booklets or clear working instructions must be provided.

INVENTORIES

A detailed, comprehensive Inventory incorporating a full description and statement of the condition of all fixtures and fittings must be supplied for all lettings properties.

Hentons will arrange for an Inventory of the fixtures and fittings to be prepared by an independent Inventory Clerk, the cost of which is borne by the Landlord.

The Inventory Clerk also attends the "Check In" and "Check Out".

Check In - Meeting the Tenant at the property and going through the Inventory. The cost of this is borne by the Landlord.

Check Out - A full check of the Inventory will be conducted at the end of the Tenancy. The cost of this is borne by the tenant.

The deposit is not returned to the Tenant until any appropriate costs for damage, dilapidation's or loss have been agreed by both the Tenant and the Landlord. In the event of any dispute the matter will be referred to arbitration, or as otherwise directed by the Tenancy agreement.

INCOME TAX MANAGEMENT (For non-UK resident Landlords)

It is essential that the Landlord has an accountant to deal with taxation matters in the UK, and provides Hentons with their name and address. If the Landlord has no professional advisor dealing with taxation affairs, Hentons would be pleased to recommend one.

Where Hentons collect rent, the Inland Revenue may assess them for the income tax liability arising on the income.

For such purposes, Hentons are required to retain an amount from the gross rents received to cover the likely income tax liability, equivalent to the basic rate of tax.

Hentons remit tax due as demanded by the Inland Revenue and as agreed by the Landlord's accountant and will account for the balance of funds held. Hentons do not prepare tax computations or agree or dispute any assessments.

COMMUNITY CHARGE AND COUNCIL TAX

Where the Landlord is held responsible for payment of local taxes or where Hentons are deemed responsible for payment of the same, Hentons reserve the right to discharge any liability out of rents received.

Usually the Tenant is liable to pay such taxes directly, but the Landlord is responsible for such charges when the property is vacant.

LETTINGS PROCEDURE

REFERENCES

Once a suitable Tenant has been found Hentons endeavour to obtain at least three references, and where possible Hentons approach the Tenant's bank, solicitor, accountant, employer, previous Landlord and personal contacts.

It is usual for professional organisations to limit the extent of their liability in respect of any reference given. Similarly Hentons can not offer any guarantee in respect of the of a Tenant.

TENANCY AGREEMENT

Hentons will prepare and execute an appropriate Tenancy agreement, usually in the form of an Assured Shorthold Tenancy, or a company let. Hentons also serve the appropriate notices required to be served upon and prior to commencement, under the relevant Housing Acts.

Where significant and/or complicated alterations to the standard agreement are required, Hentons reserve the right to consult with solicitors, at additional cost to the Landlord.

DEPOSIT

A deposit equivalent to a minimum of one months rent, for damages against possible non-performance of Tenant's obligations or breaches of covenant in the tenancy agreement.

We will hold the tenant's deposit during the tenancy as 'Stakeholder'. This means we owe a duty of care to both landlord and tenant. We are unable to release any deposit monies to either party without the prior agreement of both parties, except in circumstances where we have notified you (or the tenant) in writing of our intention and we have not received a reply from you (or the tenant) within a specified period.

At the end of the tenancy and on receipt of a report compiled by an independent inventory clerk, we will visit the property and arrange for those items mentioned on the report to be costed and an end tenancy claim to be submitted to you firstly for your approval, and then to the tenant.

The Agent is a member of the Tenancy Deposit Scheme, which is administered by:

The Dispute Service Ltd PO Box 541

Amersham

Bucks

HP6 6ZR

phone 08452267837

email deposits@tds.gb.com

fax 01494431 123

If we are/the Agent is instructed by you/the Landlord to hold the Deposit, we/ the Agent shall do so under the terms of the Tenancy Deposit Scheme.

If you/the Landlord decide to hold the Deposit yourself, we will transfer it to you within 5 days of receiving it. You/the Landlord must then register it with another Tenancy Deposit Protection Scheme within a further 9 days if the Tenancy is an Assured Shorthold Tenancy. If you fail to do so the Tenant can take legal action against you/the Landlord in the County Court. The Court will make an order stating that you/the Landlord must pay the Deposit back to the Tenant or lodge it with the custodial scheme which is known as the Deposit Protection Scheme. In addition a further order will be made requiring you/the Landlord to pay compensation to the Tenant of an amount equal to three times the Deposit. You/the Landlord will be unable to serve a Section 21 Notice on your Tenant until compliance with the above conditions and the Court will not grant you/the Landlord a possession order We/the Agent has no liability for any loss suffered if you/the Landlord fail to comply.

The Agent holds tenancy deposits as Stakeholder.

At the end of the tenancy covered by the Tenancy Deposit Scheme

If there is no dispute we/the Agent will keep any amounts agreed as deductions where expenditure has been incurred on behalf of the Landlord, or repay the whole or the balance of the Deposit according to the conditions of the Tenancy Agreement with the Landlord and the Tenant. Payment of the Deposit will be made within 10 working days of written consent from both parties.

If, after 10 working days following notification of a dispute to the Agent/Member and reasonable attempts have been made in that time to resolve any differences of opinion, there remains an unresolved dispute between the Landlord and the Tenant over the allocation of the Deposit it will (subject to B 5.3 below) be submitted to the ICE (Independent Case Examiner of the Dispute Service) for adjudication. All parties agree to co-operate with any adjudication.

When the amount in dispute is over £5,000 the Landlord and the Tenant will agree by signing the Tenancy Agreement to submit the dispute to formal arbitration through the engagement of an arbitrator appointed by the ICE although, with the written consent of both parties, the ICE may at his discretion accept the dispute for adjudication. The appointment of an arbitrator will incur an administration fee, to be fixed by the Board of The Dispute Service Ltd from time to time, shared equally between the Landlord and the Tenant. The liability for any subsequent costs will be dependent upon the award made by the arbitrator.

The statutory rights of either you/the Landlord or the Tenant(s) to take legal action against the other party remain unaffected.

It is not compulsory for the parties to refer the dispute to the ICE for adjudication. The parties may, if either party chooses to do so seek the decision of the Court. However, this process may take longer and may incur further costs. Judges may, because it is a condition of the Tenancy Agreement signed by both parties, refer the dispute back to the ICE for adjudication. If the parties do agree that the dispute should be resolved by the ICE, they must accept the decision of the ICE as final and binding.

If there is a dispute I/we must remit to The Dispute Service Ltd the full deposit, less any amounts already agreed by the parties and paid over to them. This must be done within 10 working days of being told that a dispute has been registered whether or not you or I/we want to contest it. Failure to do so will not delay the adjudication but The Dispute Service Ltd will take appropriate action to recover the deposit and discipline me/us.

The Agent/we must co-operate with the ICE in the adjudication of the dispute and follow any recommendations concerning the method of the resolution of the dispute.

Incorrect Information

If the Landlord warrants that all the information he has provided to the Agent is correct to the best of his knowledge and belief. In the event that the Landlord provides incorrect information to the Agent which causes the Agent to suffer loss or causes legal proceedings to be taken the landlord agrees to reimburse and compensate the Agent for all losses suffered.

MANAGEMENT

RENT COLLECTION

The rent quoted, and collected by Hentons, should be fully inclusive of all outgoings, except utilities, including ground rent, service charge, water rates, letting and management fees and VAT, unless otherwise agreed and stipulated in the Tenancy Agreement.

Hentons endeavour to ensure that the initial rent and deposit are paid by cleared funds before allowing a tenant possession of the property.

Thereafter, where asked to provide a letting service WITH RENT COLLECTION or WITH FULL MANAGEMENT, Hentons endeavour to collect rent in accordance with the terms of the Tenancy Agreement.

RENT COLLECTION CONT.

In the case of late or non-payment of rent Hentons endeavour to inform the Landlord as early as possible so that they may instruct solicitors to act as may be necessary.

Hentons are not themselves liable for any rent or nonpayment of same, or other liabilities incurred by the Tenant.

Under the provisions of the Landlord and Tenant Act 1987 Hentons are obliged to inform the tenant of the Landlord's full name and address.

If the Landlord's address is outside England and Wales, then the tenant must be provided with an address within England and Wales to which notices, including notices in proceedings, may be served, and unless otherwise instructed, Hentons use their own office address for this purpose. Although Hentons endeavour to forward any notices promptly, no liability is accepted for any loss or damage incurred directly or indirectly from actions in this respect.

REGULAR INSPECTION

Under the WITH FULL MANAGEMENT service Hentons endeavour to ensure that the property, and contents, are reasonably maintained, and endeavour to make quarterly visits to the property and report to the Landlord if problems arise.

The representative from Hentons may not be a qualified surveyor and no responsibility is accepted for failing to locate or report any latent or inherent structural defects, such as damp or dry rot, which may not be immediately apparent.

MAINTENANCE AND REPAIRS

Under the WITH FULL MANAGEMENT service Hentons effect general and essential repairs and maintenance, and make such purchases and instruct contractors as, in Hentons' discretion, consider necessary without further authority, up to a limit of £250.00.

Out of rents received, Hentons set aside monies for a Management Fund, to be maintained at £250.00, and no repairs or maintenance are effected if the cost exceeds the monies held in the account.

Hentons endeavour to employ only known, reliable and proficient contractors and workmen, but no warranty is given, or liability assumed, for loss or damage that might occur.

PAYMENT OF ACCOUNTS

Under the WITH FULL MANAGEMENT service Hentons pay out of income received all outgoings, such insurance and ground rent, as instructed, or make any purchases which Hentons shall, at their discretion, consider necessary for the property.

Hentons question obvious discrepancies on bills received, but pay on behalf of the Landlord those, which appear to be correct without further authority. Payments on behalf of Landlords are only made where there are sufficient monies held in the Management Fund.

Hentons do not accept responsibility for the adequacy of insurance cover, or for the verification of service or maintenance charge demands or estimates where applicable.

SERVICE ACCOUNTS

Under the LETTINGS ONLY, WITH RENT COLLECTION AND WITH FULL MANAGEMENT services, Hentons advise the gas, electricity and telephone services of the change of the name at the commencement of a Tenancy to whom accounts and relevant forms should be sent to, and if available, the meter details as checked at the Inventory Check In. Only under the WITH FULL MANAGEMENT service do Hentons similarly advise the utility services at the termination of a tenancy, to effectively reverse the process.

VOID PERIODS

The management function does not include the supervision of the property when it is not let, although in the course of finding a tenant, periodic visits may be made to the accommodation by allowing staff to accompany prospective tenants.

RENT STATEMENTS

Management rent statements are prepared in accordance with the rental period of the tenancy, usually monthly or quarterly.

Before funds are remitted to the Landlord, sufficient time is given to ensure that all receipts have been properly cleared. If any additional copies of statements are required, these will be charged at £20 inclusive of VAT.

LEGAL MATTERS

Hentons advise of any rent arrears or other breaches of covenant brought to our attention. If any legal action is required, the Landlord is responsible for instructing a solicitor, and for payment of any fees that might arise.

BANK ACCOUNTS

In accordance with the Estate Agents Act all rents and other monies due to the Landlord, and deposits refundable to the tenant, are kept in a Hentons' clients' bank account completely separate from Hentons' own business account.

FEES AND COMMISSIONS

NOTE

All charges are subject to VAT at the prevailing rate.

All the following charges relate to lettings of between six and twelve months, inclusive. If the same tenancy is extended beyond twelve months, by whomsoever negotiated, there will be an additional commission charge at the rate levels applicable.

All charges relate to a single letting of any premises, and where the same property is re-let the following charges will be re-applied.

Hentons' right to receive fees will not be prejudiced by any legal actions that may be necessary to recover unpaid rent or other monies due.

LETTING ONLY

The total amount of commission falls due at the commencement of each Tenancy and will be deducted from the initial and subsequent rental payment(s) received from the Tenant. Thereafter, the Tenant pays all rents due directly to the Landlord.

LETTING WITH RENT COLLECTION SERVICE

8% of the total rent payable under the terms of the Tenancy agreement for the entire length of the Tenancy. The total amount of commission falls due at the commencement of each Tenancy and will be deducted from the initial and subsequent rental payment(s) received from the Tenant. Thereafter, the Tenant pays all rents due directly to Hentons.

LETTING WITH FULL MANAGEMENT

10% of the total rent payable under the terms of the Tenancy agreement for the entire length of the Tenancy. The total amount of commission falls due at the commencement of each Tenancy and will be deducted from the initial and subsequent rental payment(s) received from the Tenant.

LETTING RENEWALS

For any of the above letting services, Tenancies negotiated for a further term after the first year or a fresh Tenancy of another property owned by you granted to the Tenant or occupier, commission is payable to us at the rate of 8% and 7% for any subsequent years, of the total rent reserved under the terms of the Tenancy, whether or not negotiated by us.

MINIMUM COMMISSION

In respect of all lettings, Hentons charge a minimum fee of £250.00 per letting.

THIRD PARTY INTRODUCTIONS

In the event of a third party, being individuals and corporate bodies, in any way associated with an applicant or existing tenant entering into a tenancy or other agreement, then Hentons is due commission at the rates and basis as described above.

SALES OF PROPERTY

If the Tenant or any other party introduced to the property by Hentons, or any associate of them, purchases the property during the Tenancy or within one year of the termination of the Tenancy, a sales commission of 2% of the full purchase price is payable upon completion of the sale.

In the event of the property being sold with the benefit of the tenancy, Hentons hold the original owner liable for payment of fees, even where the new owner retains Hentons as managing agents.

Where the new owner dispenses with Hentons as managing agents, the original owner is liable for immediate payment of full fees due for the remainder of the tenancy, calculated as if a LETTING ONLY service had been provided for the remainder of the tenancy.

ADDITIONAL AND EXCEPTIONAL CHARGES

TENANCY AGREEMENT

Hentons charge £100.00 (including VAT) to the Landlord for the preparation of a standard Tenancy Agreement. Where significant and/or complicated alterations to the standard agreement are required, Hentons reserve the right to consult with solicitors, and make further charge.

NON-ROUTINE WORKS

Routine supervision of maintenance and repair works are included within the WITH FULL MANAGEMENT service charges.

Non-routine management works or those exceeding £250.00 are subject to a 10% handling charge.

INVENTORIES

The cost of preparing the Inventory and the "Check In & Inventory" is payable by the Landlord. The cost of the "Check Out" is payable by the tenant. Such costs are payable to an independent Inventory Clerk.

ADVERTISING

General advertising of all properties is free of charge. Should the Landlord require additional individual advertising, a charge is made at cost.

OVERSEAS CONTACT

UK postage and telephone charges are included. For Landlords resident overseas, reasonable additional communication charges are made to the Landlord at cost.

INSURANCE CLAIMS

Landlords and tenants should take care to review any existing policies when renting or letting a property for the first time as some standard insurance products will either not provide cover, or might place restrictions on cover, for rented property and/or its contents.

A failure to inform your insurer that you are renting/letting a property could invalidate any subsequent claim. It is for a landlord to insure the building and his/her contents, fixtures and fittings. The tenants are responsible for insuring any of their own possessions. Hentons are unable to advise on, sell such general insurance products or act on the landlords'

behalf unless they are authorised by the Financial Services Authority (FSA), or, directly regulated by a broker registered with the FSA.

EMPTY PROPERTY

Periodic inspections required by the Landlord when the property is vacant are charged at £25.00 per visit.

MISCELLANEOUS

Additional charges may be made for various circumstances, such as attending court or tribunal proceedings, or furnishing premises, but Hentons endeavour to properly advise the Landlord beforehand.

GENERAL

Hentons are entitled to commission if they let the said property, whether instructed verbally or in writing.

Hentons reserve the right to vary commission rates during the course of the tenancy on giving three months prior notice in writing.

Hentons are not liable for any rent or non-payment of rent or any other liabilities incurred by the Tenant, or for any outgoings payable on behalf of the Landlord if there are insufficient funds available.

Hentons are not liable, either directly or indirectly, for any deficiency, loss or damage to the premises, its fixtures and fittings and contents, however caused, whether included in the Inventory or not.

Hentons do not accept legal liability for the management or security of any property before it is let or at the termination of a tenancy, or if unlet between tenancies, whether or not they hold keys to the property.

The Landlord will pay to Hentons any other charges arising from any invoices, which they may at any time hold to the Landlord's account.

The Landlord accepts that Hentons do not pay any bills on the Landlord's behalf unless sufficient funds are available in the Management Fund whether the property is tenanted or not.

The Landlord agrees that in the event of a renewal or extension of a tenancy, Hentons may instruct a CORGI registered gas safety inspector to carry out an annual gas safety certificate on the day of renewal or extension if Hentons have not received a copy of a valid gas safety certificate or valid proof that a gas safety certificate has been carried out from the Landlord. A copy of a valid gas safety certificate must always be forwarded to Hentons. The cost of this gas safety inspection shall be borne by the Landlord.

INDEMNITY

The Landlord indemnifies Hentons against any loss or damage Hentons may suffer as a result of acting as the Landlords Agent in respect of any injury or damage to persons or property arising out of the condition of the property of any hazard in or about the property. Both Landlords and Tenants are advised to take out all appropriate insurance cover.

The Landlord undertakes to ratify whatsoever Hentons shall lawfully do by virtue of these Terms of Business and to indemnify them against all costs and expenses properly incurred by them.

The Landlord undertakes to indemnify Hentons against any costs or actions arising out of any representations made by Hentons on behalf of the Landlord in all respects.

I/We hereby certify that I/We (jointly) own the property known as _____

Which I/We have instructed Hentons to Let (and Manage) and that the Property was my/our principal private residence **(YES/NO)** at the time and if there are joint owners that both/all are aware of and agree to the letting of the Property.

I/We certify that my/our main residence (for more than six months of the year) is/is not in the UK and my/our address is:-

I/We wish to undertake: (Please tick where applicable)

- Letting
- Letting plus Rent Collection
- Letting, Rent Collection and Management

I / We confirm my / our instructions for Hentons Letting and Management Department to act on my / our behalf in securing a tenant for the above property under the terms presented to me / us in the Terms of Business. I / Will confirm as required to the regulations as pointed out by Hentons in regard to the Furniture and Furnishings Fire Safety Regulations, Gas Appliances and general maintenance requirements. I/We hereby accept the above terms of business.

FULL NAME
PRINTEDDate.....

Signed.....Date.....

FULL NAME
PRINTEDDate.....

Signed.....Date.....