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LETTINGS TERMS & CONDITIONS

IMPORTANT

RESIDENTIAL LETTINGS LANDLORDS TERMS AND CONDITIONS OF BUSINESS, FEES AND EXPENSES

This Agreement is made between the Landlord of the Property (as named at the beginning of this agreement) and Churchills Agency Limited T/A Churchill Estate Agents who agree to act as agent for the Landlord and are hereinafter referred to as "the Agent". The purpose of this document is to set out clearly and concisely the extent of the letting and management service offered and the scale of commission fees charged for the initial period of the tenancy AND ALSO in respect to any renewals, extensions, hold-overs and/or new agreements which come after the initial period.

PROPERTY AND LANDLORD'S DETAILS:

Property Address: _____

Post Code: _____

Name(s) of Landlord(s)

If the property is jointly owned please state the names of all owners. If the property is corporately owned the full name of the company, the company registration number and registered office address must appear on this form, which must be signed by an authorised signatory.

Into which account would you like us to pay the rent?

Bank: _____

Branch: _____

Account Name: _____

Account No: _____

Sort Code: _____

Please confirm that while The Agent is letting your property, you will be resident:

In the UK

Overseas

Landlord's correspondence address (UK):

_____ Post Code: _____

Home Tel: _____

Mobile: _____

E-mail: _____

Fax: _____

Landlord's overseas address (if applicable):

Tel: _____

If you are resident overseas have you applied for self-assessment?

Yes

No

The Agent is legally obliged to file a tax return stating the names and addresses of our clients. If you are resident overseas and have not applied for self-assessment, you will need to complete the appropriate form (usually either NRL1 or NRL2) quoting Churchill Estate Agents reference NA32443 and our registered office address (18 Old Oak Common Lane, London W3 7EL). If you have already received confirmation of self-assessment please attach a copy of your Exemption Certificate. For further information see Inland Revenue website: www.hmrc.gov.uk/nonresidents

I confirm that the above information is accurate.

Signature: _____

Date: _____

1. Churchill Estate Agents FEES

(please tick the applicable box)

Fees for the initial 12 months tenancy:

Lettings Service	10% + VAT	<input type="checkbox"/>
Rent Collection Service	12.5% + VAT	<input type="checkbox"/>
Lettings and Management Service	15% + VAT	<input type="checkbox"/>

Fees for any renewal, extension, hold-over or new agreement:

Lettings Service	8% + VAT
Rent Collection Service	10% + VAT
Lettings and Management Service	13% + VAT

Fees Explained

1. Initial Commission

- 1.1 In the event that the Agent introduces a tenant who subsequently enters into an agreement to rent the landlord's property, the initial commission becomes payable to the Agent.
- 1.2 The initial commission is payable at the commencement of the Tenancy and will be deducted from monies received by the Agent on the Landlord's behalf.
- 1.3 The initial commission is charged as a percentage of the total rental value of the agreed term as specified in the tenancy agreement, subject to clause 1.4 below. The initial commission is set out above.
- 1.4 In the event that the Landlord wishes to terminate the tenancy early, the initial commission will be non refundable. In the event that the tenant wishes to terminate the tenancy early, providing you instruct us to re-let the property we will do so at a reduced rate subject to negotiations.
- 1.5 The initial commission is payable for any tenant introduced to the property by the Agent, whether or not the tenancy is finalised by the Agent.
- 1.6 If the tenancy agreement is terminated in accordance with a break clause, the Agent will refund any commission already received for the remaining period of the tenancy.

2. Renewal Commission

- 2.1 Prior to the end of the tenancy, the Agent will endeavour to contact both the landlord and the tenant to negotiate a renewal or extension of the tenancy, if so required.
- 2.2 The Agent will produce, if required, new tenancy contracts or other necessary paperwork. This will be forwarded to the landlord and tenant/s for signature.
- 2.3 The renewal commission is payable on the commencement of the renewal/extension/hold-over or new agreement. The renewal commission will be due whether or not the renewal/extension/hold-over or new agreement is negotiated by the Agent.
- 2.4 The renewal commission is charged as a percentage of the total rental value of the agreed term as specified in the tenancy agreement, subject to clause 2.5 below. The renewal commission is set out above.
- 2.5 In the event that the Landlord wishes to terminate the tenancy early, the renewal commission will be non refundable. In the event that the tenant wishes to terminate the tenancy early, providing you instruct us to re-let the property we will do so at a reduced rate subject to negotiations.
- 2.6 The renewal commission is due in respect of renewals/extensions/hold-over or new agreements where the original tenant/s remains in occupation. Where there is more than one tenant, renewal commission will be payable in full where any or all of them remain in occupation.
- 2.7 **All our fees are subject to a minimum fee of £500 + VAT**

Signature: _____

Date: _____

2. PROPERTY DETAILS:

In order for Churchill Estate Agents to let and/or manage your property effectively please provide the following information in as much detail as possible:

Utility Providers:

	Name of service provider	Account number	Location of meter
Gas			
Electricity			
Water			
Council Tax			

Domestic Appliances:

	Make and model	Age (approx)	Warranty or service cover details	Special Instructions
Boiler/central heating system				
Fridge freezer				
Hob & oven				
Washing machine/ Washer drier				
Dishwasher				

We strongly recommend that you leave a folder in the property containing general information and instructions for appliance use.

If you do **not** wish The Agent to hold the tenant's deposit, which Tenancy Deposit Scheme have you joined:

The Deposit Protection Service (DPS)

Tenancy Deposit Solutions Ltd (TDLS)

The Tenancy Deposit Scheme (TDS)

Please note that the landlord will have 14 days to safeguard a deposit from the day he receives it from the tenant. The landlord will have to provide the tenant prescribed information about the scheme safeguarding the deposit within these 14 days.

3. Churchill Estate Agents Letting Services

3.1. The Letting Only Service Includes:

Advising as to the likely rental income.

Advertising and generally marketing the Property.

Interviewing prospective tenants and carrying out a credit reference check and/or taking up references. Where necessary, additional security would be requested by means of a guarantor. In the case of a company, a full bank reference would also be taken.

Preparing the Tenancy Agreement and any relevant paperwork as well as renewing the Agreement where necessary at the end of the Term.

Arranging with service companies for meter readings and advising them of the transfer of service contracts to the tenant at the beginning of each tenancy.

Taking a deposit from the tenant which will either be held by The Agent and protected in our Tenancy Deposit Scheme or paid to the Landlord if so requested (The Landlord is responsible to register the deposit with a tenancy deposit scheme approved by the government).

3.2. The Rent Collection Service Includes:

All the points at 3.1

Collecting the rent on a monthly basis and paying over to the Landlord (normally sent within 10 working days of collection). Payments will be made by direct bank transfer together with a detailed rent statement.

Holding the tenants deposit and registering it with the Tenancy Deposit Scheme.

3.3. Management Service

3.3.1 The Standard Management Service Includes:

All the points at 3.1 and 3.2 for letting only and rent collection services.

Rental statements will be provided to the Landlord or his representative on a monthly basis. Any duplicates or additional copies requested due to the loss or misplacement of the original or for end of year tax returns will be charged at £10 per copy.

Regular inspections (every 3 to 4 months) of the Property are carried out. Responsibility for and management of empty property is not included, and will only be carried out by special arrangement.

Co-ordination of repair or maintenance including arranging for tradesmen to attend the Property and obtaining estimates where necessary, agreeing works and settling accounts from rents received.

Carrying out a property inspection and inventory check at the end of the tenancy and dealing with matters relating to unfair wear and tear before the stakeholder releases the Tenant's deposit.

Additional items and other expenses will be charged accordingly.

3.3.2 Repairs and Maintenance

The Landlord warrants that the Property is made available in good condition and that the Property, beds, sofas and all other soft furnishings conform to the current fire safety regulations. It is agreed that in an emergency or for reasons of contractual necessity where reasonable endeavours have been made to contact the Landlord, the Agent may have the emergency works carried out at the expense of the Landlord.

The Agent endeavours to select competent tradesmen at a reasonable price but is unable to personally guarantee the standard of workmanship, although the Landlord retains the right to pursue any claim for substandard work.

By law, it is necessary to carry out an annual inspection and service for the central heating and any gas appliances as well as an electrical test. The Agent will cause these to be carried out on the Landlord's behalf and expense and administer the necessary inspection and maintenance records.

3.3.3 Inspections

Under the Standard Management Service, the Agent will normally carry out regular inspections. It is not the intention to check every item of the inventory at this stage; the inspection is concerned with verifying the good order of the tenancy (i.e. house being used in a 'tenant-like' manner) and the general condition of the Property. This would normally include inspecting the main items (carpets, walls, cooker, main living areas and gardens.) Where these were felt to be unsatisfactory, a more detailed inspection would generally be made.

Following the departure of tenants, a final inspection of the Property is carried out by the Agent. Testing of all the electrical appliances, heating system and plumbing is not feasible during this inspection; a qualified contractor should be appointed for this purpose should it be required by the Landlord. Any deficiencies or dilapidations would normally be submitted to the Landlord together with any recommended deductions or replacement values. Subject to agreement, any claim of £3,000 or less may be referred to arbitration with the Royal Institution of Chartered Surveyors, any costs being shared by Landlord and tenant, or as directed by the arbitrators.

Although the aim is to take every care in managing the Property, The Agent cannot accept responsibility for non-payment of rent, damage or other default by tenants, or any associated legal costs incurred in their collection. It is the Landlord's responsibility to arrange insurance cover for this eventuality.

4. The Tenancy Agreement

The Standard Lettings Service includes the preparation of a tenancy agreement in the Agent's standard form and provision of a copy of this agreement to a designated advisor or building society. Should the Landlord or his advisors or mortgages require amendment of the contract or require the Agent to enter into further work or correspondence, a fee for this extra work may be requested. It is agreed that the Agent may sign the tenancy agreement(s) on behalf of the Landlord once permission in writing has been obtained.

5. Inventory:

We are able to arrange for the preparation of an Inventory. Inventory clerks are not employed by The Agent. Although Landlords may be able to compile inventories, we would recommend that the services of an independent professional are utilised to avoid possible future disputes. The cost of the Inventory clerk is not included in our commission and should this be undertaken we require prior payment of the inventory clerk's invoice. Whilst care will be taken in giving instructions to independent Inventory clerks, we cannot accept liability for any error or omission on their part.

6. Energy Performance Certificate (EPC)

All buildings in the private rented sector require an EPC. This certificate will remain valid for 10 years. Landlords are required by law to obtain and make available a copy of the EPC, free of charge, to prospective tenants at the earliest opportunity and must provide the person who takes up the tenancy with a copy. The Agent can organise an EPC from an approved supplier at an extra cost if required.

7. Holding Fees & Deposits

A holding fee is generally taken from a tenant applying to rent a property. The purpose of this fee is to verify the tenant's serious intent to proceed, and to protect the Agent against any administrative expenses that may be incurred should the tenant decide to withdraw the application. The holding fee does not protect the Landlord against loss of rent due to the tenant deciding to withdraw, or references proving unsuitable although early acceptance of rent from the applicant would not be advisable until satisfactory references have been received. Upon signing the tenancy agreement, the Agent will take a dilapidations deposit from the tenant(s) in addition to any rents due. The purpose of the dilapidations deposit is to protect the Landlord against loss of rent or damage to the Property during the tenancy itself.

7.1. From 6 April 2007, all deposits taken by landlords for an Assured Shorthold Tenancy must be protected by a tenancy deposit protection scheme. The government awarded contracts to three companies to run its tenancy deposit schemes on 22 November 2006 (see enclosed leaflet for more details).

7.2. Churchill Estate Agents are members of The Tenancy Deposit Scheme. The contact details for this scheme are as follows:

The Dispute Service Ltd, PO Box 1255, Hemel Hempstead, Herts, HP1 9GN

Telephone: 0845 226 7837

Fax: 01442 253193

E-mail: deposits@tds.gb.com

We provide the service of holding the deposits into our Tenants Deposits Account for managed and rent collection properties. We also inform the tenants about how their deposit is protected and where they can find more information about the scheme.

8. Overseas Residents

When letting property and collecting rents for landlords overseas, the Agent is obliged by the Taxes Management Act (TMA) 1970 and the Taxation of Income from Land (Non-Residents) Regulations 1995 to deduct tax (at the basic tax rate) to cover any tax liability, unless the landlord has been authorised in writing by the Inland Revenue to receive rent gross. In this situation, the Agent also requests that the Landlord appoints an accountant in order to manage correspondence with the Inland Revenue. A standard annual charge will be made for this work and administration expenses may be charged by the Agent for further work requested by the Landlord, the Landlord's accountant or the Inland Revenue in connection with such tax liabilities. If you do not apply or are not accepted by the non-resident landlord scheme we will make a charge of £300 + VAT per annum for forwarding money to Inland Revenue.

9. General Authority

The Landlord confirms that he/she is the sole or joint owner of the Property and that he/she has the right to rent out the Property under the terms of the mortgage or head lease. Where necessary, the Landlord confirms that permission to let has been granted by the mortgagee. The Landlord authorises the Agent to carry out the various duties of property management as detailed previously. It is declared that the Agent may earn and retain commissions on insurance policies issued.

10. Indemnity

The Landlord agrees to indemnify the Agent against any costs, expenses or liabilities incurred or imposed on the Agent provided that they were incurred on behalf of the Landlord in pursuit of the Agent's normal duties. To assist the Agent in carrying out his duties effectively, the Landlord agrees to respond promptly with instructions where necessary to any correspondence or requests from the Agent.

11. Stamp Duty

Where applicable The Agent will automatically forward the original agreement signed by the tenant to the Stamp Office. A fee is payable.

12. Mail

Landlords should take care to inform all parties (e.g. Banks, clubs, societies etc.) of their new address; it is not the responsibility of the Agent or the Tenant to forward any mail to the Landlord. The Royal Mail offer a redirection service, more information is available at your local Post Office.

13. Termination

This agreement may be terminated by either party by way of two months' written notice. The Minimum Fee applies if on termination the total fees due are less than the Minimum Fee. A placement fee equivalent to two month's rent will be payable where the Landlord intends to continue letting to tenants introduced by the Agent after the termination of this agreement. Where cancellation of this agreement is unavoidable due to circumstances beyond the control of either party, the Minimum fee will not apply and any pre-payments will be returned to the person entitled to them, less any expenses reasonably incurred to the date of cancellation.

The Landlord shall provide the Agent with any requirements for return and repossession of the Property at the earliest opportunity. Landlords should be aware that any tenancy agreement entered into on the Landlord's behalf is a binding legal agreement for the term agreed. Details of any tenancy agreement being entered into will be communicated to the Landlord as soon as possible.

Landlords should be aware that the legal minimum notice period to tenants under assured tenancies is generally two months (should the contract allow for early termination) and this needs to be put in writing, even in the case of a fixed term tenancy which is due to expire.

14. Safety Regulations

WARNING: You should read and understand these obligations before signing overleaf.

The letting of property is now closely regulated with respect to consumer safety. The law makes particular demands regarding the safety, servicing and inspection of the gas and electric appliances and installations within a property, and with respect to the safety of furniture and soft furnishings provided. The following regulations apply:

Furniture and Furnishings (Fire)(Safety) Regulations 1988

General Product Safety Regulations 2005

Gas Safety (Installation and Use) Regulations 1998

Gas Cooking Appliances (Safety) Regulations 1989

Electrical Equipment (Safety) Regulations 1994

Plugs and Sockets (Safety) Regulations 1994

The Landlord confirms that he/she is aware of these obligations and that the Agent has provided sufficient information (via explanatory leaflets available on request) to assist with compliance. It is agreed that the Landlord shall ensure that the Property is made available for letting in a safe condition and in compliance with above regulations. The Landlord shall ensure that all relevant equipment is checked at the beginning of the tenancy.

The Landlord agrees to indemnify the Agent against any reasonable expenses or penalties that may be suffered as a result of non-compliance of the Property to fire and appliance safety standards.

15. Instructions

17.1 It is agreed that any instructions to the Agent from the Landlord regarding termination, proceedings, major repairs, payment, or other significant details regarding the letting will be confirmed to the Agent in writing.

17.2 By instructing Churchill Estate Agents as your agent, in circumstances where you have confirmed verbally that you wish to proceed with a letting, and for example we cannot obtain written confirmation or need to proceed quickly, you authorise The Agent to sign any of the necessary documentation on your behalf.

16. Sale of Property

In the event of a party introduced by the Agent (or any person or body corporate associated with that party) subsequently purchasing the Property, whether before or after entering into a Tenancy Agreement, commission shall be payable by the Landlord to the Agent on completion of the sale at the rate of 2% of the sale price, plus VAT.

17. Value Added Tax

Our fees are subject to VAT at the appropriate rate (currently 20%).

18. Insurance:

The Landlord shall be responsible for the Property being adequately insured and that the insurance policy covers the situation where the Property is let.

19. Housing Benefit

The Landlord undertakes to reimburse the Agent for any claims arising from overpayment, which may be made by the local authority in respect of housing benefit, or other benefit scheme, paid to or on behalf of the tenant(s) as rent. This undertaking shall remain in force during the currency of the tenancy and up six years thereafter, whether or not the Agent continues to be engaged to let or manage the Property under this Agreement.

20. Legal Proceedings

Any delays of payment or other defaults will be acted on by the Agent in the first instance. Where the Agent has been unsuccessful in these initial actions, or there are significant rent arrears or breaches of the tenancy agreement, the Landlord will be advised accordingly. The Agent is not responsible for any legal steps for the recovery of rent or repossession of the property. Appearances before any Court or Tribunal will be by special arrangement and the fee for any such attendance will be £200 + VAT per day, or part hereof. The Agent will not accept service of legal proceedings on the landlord's behalf.

21. Complaints Procedure

Should you have any problems with The Agent's service which you are unable to resolve with the negotiator involved or the Lettings Manager you should write to the Director of the company at 18 Old Oak Common Lane, London W3 7EL. This complaint will be acknowledged within three working days of receipt and an investigation undertaken. A formal written outcome of the investigation will be sent to you within 15 working days. This letter will confirm that you are entitled if dissatisfied to refer the matter to the Ombudsman within six months for a review.

22. Declaration

I/we declare that I am/we are the sole/joint owners of the freehold/leasehold interest in the property as stated above.

I/we confirm that prior to the commencement of the tenancy all furniture and upholstered furniture, soft furnishings, beds, mattresses, pillows and cushions (if any) supplied to the property comply (if appropriate) with the provisions of the Furniture and Furnishings (Fire Safety) Regulations 1988 as amended 1993, and warrant that the property complies with the Gas Safety (Installation and Use) regulations 1998 and the Electrical Equipment (Safety) regulations 1994.

I/we have read and accept these Terms and Conditions of Business and wish you to provide the service(s) noted and upon Terms and Conditions stated herein.

Signed _____

Date: _____