

# Chestnut estate agents Ltd

## (Terms and Condition of Business)

### Prior to Tenancy

The Gas Safety (Installation & use) Regulations 1998

It is the Landlord responsibility to ensure that all gas appliances and any fixed installation are checked at least every 12 months by a CORGI registered plumber and a ' Landlords Gas Safety Certificate' is issued before the Tenancy commences.

The Electrical Equipment (Safety) Regulations 1994

It is the Landlord responsibility to ensure that all electrical appliances and any appliances in the property are checked regularly by an appropriate registered engineer.

Energy Performance Certificate (EPC)

Under the European Union Energy Performance of Building Directive, it is a legal requirement in UK that every residential property have an EPC before it is marketed for letting from 1st October 2008. Landlords must by law provide Chestnut Estate Agent Ltd with an EPC prior to marketing their property. A domestic energy assessor having inspected the property provides a report rating the energy efficiency on a scale of A-G with suggested recommendations. The EPC must be available to all prospective Tenants. Chestnut Estate Agent Ltd can organize an EPC for your property at £126 inclusive of VAT.

The fire and Furnishings ( Fire) ( Safety ) Regulations 1988 & The fire and Furnishings ( Fire) ( Safety ) Regulations (Amended) 1993

The Landlord by signing this document declares he is fully aware of the terms and conditions of the above regulation and further declares that all furniture and effects comply with all the regulations (a copy of which is available by request from our office)

The Landlord undertakes to keep Chestnut estate agents Ltd fully and effectively indemnified in respect of any claim, cost or prosecution that may arise due to the failure of the Landlord to comply fully with the terms of the above regulations being clause 1a, 1b and 1c above.

If either the Landlords Gas Safety Certificate or Electrical Certificate is not provided to Chestnut estate agents Ltd prior to the commencement of the Tenancy or renewed to cover any extension of the Tenancy then Chestnut estate agents Ltd reserves the right to appoint the relevant engineer to carry out the tests, make any remedial repairs and provide the necessary certificate. The cost of which is the Landlords responsibility and will be deducted from initial monies collected on behalf of the Landlord, together with Chestnut's administration charge of £ 25 per certificate.

### References

Upon finding suitable tenants on terms acceptable to you Chestnut estate agents Ltd will obtain references for your approval. By signing the agreement you are accepting these references and instructing Chestnut estate agents Ltd to proceed with the Tenants. We are unable to guarantee the suitability of the tenants and cannot be held liable by the landlord for late or non payments of rents etc

### Tenancy Agreement

Chestnut estate agents Ltd will prepare the Tenancy Agreement and ensure all parties sign prior to the tenancy. Our cost for the preparation of this document is £ 50.

## Commission / Fees

Upon the signing of a Tenancy Agreement by both a Landlord and a Tenant introduced by Chestnut estate agents Ltd whether directly or indirectly, commission becomes payable to Chestnut estate agents Ltd.

Commission fees are payable on or before the commencement of the Tenancy and are deducted from monies collected in advance (first rental payment) by Chestnut estate agents Ltd. If the fee is greater than the first rental payment then the remaining portion of our fee is collected from the next rental payment received.

If Chestnut estate agent Ltd does not collect the rent then our commission will be due prior to the commencement of the tenancy.

Should the Landlord or Tenant renew or extend or hold over the tenancy for a period beyond the original term then Chestnut estate agents Ltd Fee is payable as set out on page 1

Should the Tenant break the tenancy in accordance with a break clause contained in the Tenancy Agreement at the time the agreement was executed Chestnut estate agents Ltd will refund commission for the remaining part of the tenancy on a pro-rata basis. No refund is given for the first six months of the tenancy. No refund is given should the Landlord break the Tenancy.

Our fees are 10 % of the total rent for the term excluding any other deduction.

-A Letting fee of 10 % will be deducted from advance monies collected by Chestnut Estate Agents Ltd, prior to the commencement of the Tenancy

-If the property is managed by us an additional management fee of 5% will be payable to Chestnut estate agents Ltd.

## Inventory

Chestnut estate agents Ltd can arrange for or prepare an Inventory of contents and conditions and arrange for the Tenants to be 'checked in' to the property. The cost of both the inventory and check in is the responsibility of the Landlord and the Tenant.

At the end of the Tenancy, however so determined, Chestnut estate agents Ltd can check

out / arrange the checking out of the Tenant and prepare a check out report. The cost of the check out and the report is the responsibility of the Tenant.

## Deposit- For AST (Assured Short hold Tenancy)

A deposit up to six week's rent is paid by the Tenant prior to the commencement of the Tenancy and held by Chestnut Estate Agent Ltd as Stakeholder under the Tenant Deposit Protection Scheme.

Chestnut Estate Agent Ltd is a member of the Tenancy Deposit Scheme, which is administered by:

'mydeposits.co.uk'

Tenancy Deposit Solutions Limited (TDSL)

3rd Floor, Kingmaker House,

Station Road

Barnet , Herts

EN5 1NZ

Phone: 0871 703 0552

E-mail: [info@mydeposits.co.uk](mailto:info@mydeposits.co.uk)

Web: [www.mydeposits.co.uk](http://www.mydeposits.co.uk)

If Chestnut Estate Agent Ltd is instructed by you to hold the Deposit for an AST Tenancy, we shall do so under the terms of the Tenancy Deposit Scheme

and Agent Scheme Rules of TDSL. The Scheme Rules for Agents (Refer to Scheme Rules for Agents) are downloadable from their website:

[www.mydeposits.co.uk/agents/agent-downloads.htm](http://www.mydeposits.co.uk/agents/agent-downloads.htm)

If you do not have an access to internet, please ask Chestnut Estate Agent Ltd to obtain this information.

If you decide to hold the Deposit yourself, we will Transfer it to you within 5 days of receiving it. You must then register it with another Tenancy Deposit Protection Scheme within a further 9 days if the Tenancy is an Assured Short hold Tenancy. If you fail to do so the Tenant can take legal action against you in the County Court. The Court will make an order stating that you 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 to pay compensation to the Tenant of an amount equal to three times the Deposit. You 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 a possession order. Chestnut Estate Agent Ltd has

no liability for any loss suffered if you fail to comply.

*At the end of the Tenancy covered by the Tenancy Deposit Scheme – for AST Assured Short hold Tenancy)*

- If Chestnut Estate Agent Ltd holds the Tenant deposit to comply with Tenant Deposit Protection Scheme, we must follow the scheme rule for Agent from TDSL. Please see above (1.10).
- If there is no dispute Chestnut Estate Agent Ltd 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 days of written consent from both parties.
- If, after 10 days following the Tenant's formal request to Chestnut Estate Agent Ltd for refunding any part of his deposit, and if there is a dispute over the any part of deposit and they do not receive the deposit during this 10 days, then the Tenant can raise a dispute to TDSL.
- Use of the Alternative Dispute Resolution (ADR) service is available; however, all parties must agree to use this service. If any party refuses to use it then, failing agreement between the parties, a court order must be obtained to resolve the deposit. However, if all parties do agree to use the ADR service then any decision made by the service will be binding on all parties. ADR will not resolve a claim for an amount of more than the value of the Protected Deposit.

*Deposit - For Corporate Tenancy and Non- Housing Act (where the rent exceeds £100,000p.a) Tenancy*

A deposit equivalent to one month's rent (unless agreed otherwise) is paid by the Tenant prior to the commencement of the Tenancy and held by Chestnut Estate Agent Ltd as Stakeholder (unless agreed otherwise) in accordance with the terms outlined in the Tenancy Agreement. Corporate Tenants may offer a letter of guarantee in lieu of a financial deposit. Should such a letter of guarantee be offered we would discuss the implication with you.

*At the end of the Tenancy -For Corporate Tenancy and Non-Housing Act (where the rent exceeds £100,000p.a) Tenancy*

The Landlord must tell the Tenant within 10 working days of the end of the Tenancy if they propose to make any deductions from the Deposit. If there is no dispute the Agent will keep or repay the Deposit, according to the agreed deductions and the conditions of the Tenancy agreement. Payment of the Deposit or any balance of it will be made within 10 working days of the Landlord and the Tenant agreeing the allocation of the Deposit. The Tenant should try to inform the Landlord/Agent if the Tenant intends to dispute any of the deductions regarded by the Landlord or the Agent as due from the deposit within 10 working days after the submission of your claim.

If, after 10 working days following notification of a dispute to the Landlord/Agent and reasonable attempts having 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 the Landlord and the Tenant must agree to appoint an arbitrator. All parties agree to co-operate with the adjudication. The appointment of the arbitrator will incur an administration fee which must be shared equally between the Landlord and Tenant. The liability for any subsequent costs will be dependent upon the award made by the arbitrator.

The statutory rights of either the Landlord or the Tenant(s) to take the legal action against the other party remain unaffected by clause 1.17.2.

### **Renewals / extensions**

Chestnut estate agents Ltd will contact both Landlord and Tenant before the end of a Tenancy to ascertain whether either party would like to renew the tenancy.

If a Tenancy renewal agreement is required we will prepare the appropriate renewal documents and obtain the necessary signatures.

Renewal commission becomes due in full whether a Renewal Agreement is signed or not when all or one of the original tenant(s) remains in occupation. Commission is due whether or not the renewal is negotiated by Chestnut estate agents Ltd.

Renewal commission (being at the same rate as the original term) is charged in advance as a percentage of the rental income for the new term. Where the tenant extends and/or holds over indefinitely, commission will be payable for the same period and rate as the initial agreement and in both circumstances is to be paid upon receipt of the first rent of the new term.

Chestnut estate agents Ltd will arrange for the Tenants to sign the Renewal Agreement, arrange for payment of the first month's rent and complete a new standing order mandate for the new term.

### **Management Services**

Our management service, charged at 5% of the rent and collected as it is received, comprises:

M1) We will hold a set of keys in our secure key holding system. All keys are tagged and cannot be identified. Should Chestnut estate agents Ltd lose a set of keys we will only be responsible for cutting a new set.

M2) We will visit the property every 4 months of the Tenancy and report to the Landlord the general condition only. Additional inspection can be carried out at a cost of £ 75 per visit

M3) We will notify the electricity supplier, gas supplier and Council tax department of the Tenants details and obtain meter readings prior to the tenancy. It is the responsibility of the Tenant to open the accounts in their name and we cannot be held responsible if services are not transferred or disconnected. At the end of the tenancy we will take end of tenancy meter readings and inform the relevant utilities.

M4) We will require a float of £ 250 at the commencement of the Tenancy to enable us to meet costs that arise on the Landlords behalf.

M5) If the Landlord instructs us to do so and if we hold sufficient funds we will pay service charge, ground rents, utility bills or any other regular payment on behalf of the Landlord

M6) Should the tenant report a problem with the property we will attend to the repair or maintenance required where we believe the cost to be less than the float we hold on your behalf. Should the cost of repair be higher than the float

held we will seek the Landlords permission prior to proceeding with the repair, unless instructed otherwise. In emergencies where we consider it necessary we reserve the right to arrange repairs without the Landlords consent

### **Sale of the property**

Should a Tenant or Tenants introduced by our agency enter into an agreement to purchase the property then a fee of 2.5% of the purchase price will become payable by the owner / landlord. Our fee becomes due upon the contract of sale exchanging. Chestnut estate agent Ltd reserves the right to defer payment of this commission until completion of contracts.

Should the Landlord sell or transfer the property to another party with the benefit of the Tenants then our fees remain the responsibility of the original Landlord in accordance with our renewal clause above.

### **Overseas Landlords**

The Non-Resident Landlords Scheme is a scheme for taxing the UK rental income of non-resident Landlords. The scheme requires UK Lettings Agents to deduct Basic Rate Tax from any rent collected for non-resident landlords.

Unless exemption is provided in the form of a FICO certificate Chestnut estate agents Ltd are required by law to deduct tax and account to the Inland Revenue on a quarterly basis. The cost for submitting quarterly returns on your behalf is £ 75.

The Landlord is responsible for obtaining exemption and upon receipt of a FICO certificate Chestnut estate agents Ltd can release rent without tax deducted.

### **General**

The landlord warrants he has notified his insurance company of his intention to let and has obtained their agreement to extend the insurance the insurance cover on the property and its contents to cover the changed circumstances.

The landlord warrants that where he is a joint owner, he has ensured that all the owners are named in the tenancy agreement and that he is authorised to give instructions on their behalf.

Any commission, interest or other income earned by Chestnut estate agents Ltd while carrying out our duties as agent for the letting and/or management of the property, for example by referrals to contractors, will be retained by Chestnut estate agents Ltd.

The landlord agrees that, where any of Chestnut estate agents Ltd fees, commission charges and/or renewal commission charges remain outstanding for more than seven days, Chestnut estate agents Ltd may use any sums obtained or held on the landlord's behalf to pay the outstanding sums, including rental payments on this or any other property on which Chestnut estate agents Ltd is instructed.

Chestnut estate agents Ltd 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 held by special arrangement and the fee for any such attendance will be charged per day, or part thereof. Chestnut estate agents Ltd will not accept service of legal proceedings on the landlord's behalf.

The landlord agrees to indemnify Chestnut estate agents Ltd as agents against any costs, expenses or liabilities incurred or imposed on us, provided they were incurred on the landlord's behalf in pursuit of our normal duties.

This contract constitutes the entire agreement between Chestnut estate agents Ltd and the landlord and supersedes all prior agreements, understandings, representations or communications between the parties. No amendment or variation to this contract will have any contractual effect unless approved in writing by one of the Directors of Chestnut estate agents Ltd.

### **VAT**

All Chestnut estate agents Ltd commission fees and any other charges are subject to VAT at the prevailing rate.

The High Court and the County Courts of England and Wales shall have the jurisdiction to hear and determine any action or proceeding in respect of this agreement. *Chestnut estate agents Ltd reserves the right to change the schedule of fees and these terms of business.*

### **LETTING INFORMATION**

IN ORDER TO REMIT RENT /DEPOSIT MONIES WE, REQUIRE YOUR BANK DETAILS.

Client's Bank name \_\_\_\_\_

Bank's Address \_\_\_\_\_

Sort Code \_\_\_\_\_

Account number \_\_\_\_\_

Account name \_\_\_\_\_

### **EMERGENCY CONTACT DETAILS**

Please provide contact details of a person we should contact in case of emergency.

Name \_\_\_\_\_

Tel \_\_\_\_\_

Email \_\_\_\_\_

### **FULLY AUTHORISED UK REPRESENTATIVE CONTACT DETAILS**

If you live abroad and we are not managing your property please provide details of your UK representative who in your absence can act on your behalf. Please note that the person must be either your solicitor or a person who holds power of attorney.

We require a copy of a deed document for the latter.

Name \_\_\_\_\_

Address \_\_\_\_\_

Tel \_\_\_\_\_

Fax \_\_\_\_\_

Mobile \_\_\_\_\_

Email \_\_\_\_\_

## GAS & ELECTRICAL SAFETY CHECKS

Landlords of rented property are obliged by law to have all gas appliances checked annually for safety and the certificate has to be available for inspection. Agents are liable by virtue of the same law thus please fill in the details below.

Have you had your gas appliances safety checked?

Yes  No

If yes, please supply us with a copy of the certificate.

If no, then unless you instruct us otherwise we will arrange for it to be carried out at your cost.

Latest gas safety test date \_\_\_\_\_

In addition, Landlords must ensure that all electrical appliances are checked for safety and that the certificate is available for inspection. Have you had your electrical appliances safety checked?

Yes  No

If yes, please supply us with a copy of the certificate.

If no, then unless you instruct us otherwise we will arrange for it to be done at your cost.

## UTILITY AND LOCAL AUTHORITY DETAILS

Please provide details of your utility providers and details of your local authority

Gas

\_\_\_\_\_

Electricity

\_\_\_\_\_

Water

\_\_\_\_\_

Local authority

\_\_\_\_\_

Mortgage / Lender Details (if any)

\_\_\_\_\_

Freeholder / Block Agents (where applicable)

\_\_\_\_\_

## CONFIRMATION OF CLIENT'S INSTRUCTION

IF YOU WISH US TO PROCEED, PLEASE CONFIRM YOUR INSTRUCTIONS BY RETURNING THIS DOCUMENT HAVING COMPLETED THE SECTIONS BELOW

Property to be let

\_\_\_\_\_

\_\_\_\_\_

Post Code \_\_\_\_\_

Clients name

\_\_\_\_\_

Permanent address

\_\_\_\_\_

Post Code \_\_\_\_\_

Tel (home)

\_\_\_\_\_

work \_\_\_\_\_

Mobile \_\_\_\_\_

Fax \_\_\_\_\_

Email

\_\_\_\_\_

## Declaration

I/We agree to comply with the above terms and conditions of this Agreement (a duplicate of which has been retained by me/us) and I/We instruct Chestnut Estate Agent Ltd to action my/our behalf for the purpose of:

- Letting and Rent processing of my/our property
- Letting and Management of my/our property

I/We understand and acknowledge my/our obligations pursuant to the Furniture and Furnishings (Fire) (Safety) Regulations 1988 as amended 1993, The Gas Safety (Installation and Use) Regulations 1994 and the Electrical Equipment (Safety) Regulations 1994 and I/We accept and confirm that I / We have full responsibility to ensure that I/We comply fully with their requirements before and during the letting of the property.

Ownership: \*I/We confirm that \*I/we are the \*sole/joint owners of the property specified at

clause (2) above.

\*I/we confirm that we will be living in the

\*UK/Overseas during the course of this Agreement.

\*I/we confirm that \*I/we have obtained permission from \*my/our

\*lender/freeholder/insurer to let the property and hold adequate buildings and contents insurance for the letting.

Signed \_\_\_\_\_

Date \_\_\_\_\_

(Landlord or legally authorised representative)

Signed \_\_\_\_\_

Date \_\_\_\_\_

(Joint Landlord or legally authorised representative)

Signed \_\_\_\_\_

Date \_\_\_\_\_

The Contract (Rights of Third Parties) Act 1999 does not apply to these Terms and Conditions.

Chestnut Estate Agent Ltd complies with the Data Protection Act 1998 and takes all reasonable care to prevent any unauthorised use or access of your personal data. The information held by Chestnut Estate Agent Ltd is confidential and will only be used for marketing purposes, or if you fail to pay the agreed commission and other charges to refer the matter to a debt collection agency or a legal adviser; or to comply with statute; or in receipt of a request from a law enforcement or governmental agency; or to provide your personal details to utility providers or the local authority. Please note that we will only transfer rental payments on receipt of these Terms and Conditions of Business signed by the Landlord.