



Lornham Lettings & Management Terms

Property Address: _____

_____ **Postcode:** _____

Landlord(s) Name(s): _____

(If the property is corporately owned, the full name of the company and the registered office address must appear on this form)

Landlord's Correspondence Address: _____

_____ **Postcode:** _____

Telephone (H): _____ **Telephone (W):** _____

Mobile: _____ **Fax:** _____

Email: _____

Landlord Bank account for rent to be paid into:

Bank: _____ **Account name:** _____

Account No: _____ **Sort Code:** _____

Branch: _____

Fees

Management Fee 5% [] [] **Letting Fee: 10%** [] [] **Renewal Fee: 7%** [] []

TERMS & CONDITIONS

1. The Lettings Service

- 1.1 Lornham will endeavour to find a suitable tenant for the property on or as near as possible to the landlord's required terms of letting.
- 1.2 We shall submit offers to the landlord for approval. This will be by way of a telephone call, fax, e-mail or letter.
- 1.3 We shall throughout the tenancy demand and make all reasonable arrangements to collect the rent and we shall account to the landlord for the net amount after deducting our commission, management fee, withholding tax and any other agreed sum as appropriate.
- 1.4 Commission is payable by the landlord for any tenant introduced by Lornham (whether or not the tenancy is finalised by Lornham) and their subsequent renewals and is charged as a percentage of the total rental value deductible from the first period of rent and prior to the commencement of the tenancy. If the fee exceeds the first rental payment, the balance will be deducted from subsequent rental payment(s). Where Lornham does not collect the rent the commission must be paid prior to the start of the tenancy.
- 1.5 Where the property is sold while a Lornham tenant is still residing at the property the responsibility for Lornham fees will remain solely with the original landlord who entered in to this agreement.
- 1.6 If the landlord or tenant terminates the tenancy in accordance with the tenancy agreement, Lornham will refund the commission of the remaining period of the tenancy.
- 1.7 **Renewals & Extensions** Lornham will endeavour to contact both landlord and tenant before the end of the tenancy to negotiate an extension of the tenancy, if so required. We will also draw up the appropriate documents for the renewal of the tenancy for signature by both parties. Renewal commission will become due in respect of renewals, extensions and holdovers or new agreements where the original tenant remains in occupation. It will also become due where the incoming tenant is a person, company or other entity associated or connected with the original tenant, either personally, or by involvement or connection with any company or other entity with whom the original tenant is or was involved or connected. Where there is more than one tenant, renewal commission will be payable in full where any or all of them remain in occupation. Commission is due whether or not the renewal is negotiated by Lornham. Renewal commission is charged in advance, either as a percentage of the rental value of the new agreed term or where the tenant extends and/ or holds over indefinitely commission will be payable for the same period as the initial agreement subject to clause 1.6 above. The scale of commission fees charged is as set out on page 2.

1.8 Sub Agents

We reserve the right in the absence of instructions to the contrary to enter into a commission-sharing basis with other agents and to give details of the premises to such other agents. No additional commission is payable by the Landlord in such cases.

1.9 References

References will be taken up directly with the tenant by Lornham on behalf of the Landlord which will be passed on to the Landlord for their perusal. Alternatively referencing can be conducted through MARAS or other similar reputable independent referencing agency if required. By signing the Tenancy Agreement, the landlord is accepting the tenant and whilst we shall endeavour to introduce a suitable tenant we do not accept liability should the tenant default on the terms of the Tenancy Agreement. In signing the tenancy agreement, the landlord, or landlord's agent, is deemed to have seen and accepted any such references or identity checks, or waived the requirement for Lornham to obtain these.

1.10 Tenancy Agreement and Charges

The Lornham Tenancy Agreement will be used for all tenancies unless agreed by all parties. The charge to the landlord is £150.00 plus VAT. We will deduct this amount at the start of the tenancy. An additional amount of £40.00 plus VAT will become payable by the landlord in the event of any renewal or extension of the tenancy involving one or all of the original tenants.

1.11 Agency

We will ask you for written confirmation of your instructions to proceed with a letting. Upon receipt of such confirmation, we will sign the tenancy agreement and exchange contracts on your behalf. However, by instructing Lornham 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 Lornham to sign any of the necessary documentation on your behalf.

1.12 Deposit

Unless otherwise agreed, a deposit of six weeks rent for a long let or four weeks for a short let, will be collected by us from the tenant and held as security for due performance of the tenant's obligations during the tenancy. The deposit will be held in accordance with the terms of the tenancy agreement. In the event that the tenancy is set up as an Assured Shorthold Tenancy (AST), Lornham complies with the mandatory obligations and the Deposit will be registered under the Tenancy Deposit Scheme (TDS) which adjudicates in the event of dispute. Unless the Tenancy Agreement states otherwise, the deposit will be held by Lornham as agent for the landlord subject to the following provisions: (i) The landlord will not be entitled to any interest that accrues on the deposit. (ii) Under the terms of our standard tenancy agreement, the deposit is due to be repaid to the tenant within 28 days of the end of the tenancy. To allow us time to process this refund, we need to receive a final written instruction from the landlord detailing any deductions that he requires to be made from the deposit within 14 days of the end of the tenancy. If we do not receive such an instruction, we reserve the right to release the entire deposit to the tenant without deductions and the landlord will have to liaise directly with the tenant to recover any unclaimed deductions. At the end of the tenancy it is our practice to deduct from the deposit following the inventory check-out report a sum to cover any dilapidations and any unpaid rent or bills.

1.13 Inventory Checks and Costs

Where instructed, Lornham will arrange for an independent inventory clerk to deal with the preparation of the inventory and check in of the tenant; however we cannot be held responsible for any error or omission on their part. The landlord will be responsible for payment of the clerk's fee for preparing the inventory and the check-in, and we will take payment from the first instalment of rent. The tenant is responsible for payment of the inventory clerk's fees for preparing the inventory check-out.

1.14 Insurance

1.14.1 The landlord's property and contents needs to be comprehensively insured at all times. It is the landlord's responsibility to inform the insurers of the intention to let the property and failure to do so may mean the rejection of any future claim. The Landlord is advised to check with his insurance company that the property is fully insured whilst the property is un-let or vacant. Lornham is not liable if the property is not adequately insured.

1.14.2 If instructed in writing, Lornham will arrange insurance cover and, if required, payment of any related insurance premiums from the rent received. We do not accept responsibility for the adequacy of any insurance cover arranged. Lornham will submit and negotiate insurance claims on your behalf. We make an administration fee of 10% of the claim.

1.15 Overseas Landlords - Finance Act 1995

Where the landlord of the property is considered non-resident for tax purposes, Lornham, as your agents, are responsible for the payment of any tax liability which arises on rents collected by us on your behalf, unless you have obtained an exemption certificate (FICO/CNR). If you do not hold a certificate and you are resident abroad, it will be necessary for us to deduct income tax at the rate of 22% of the gross annual rent less allowable expenses and to pay such sums over to the Inland Revenue on a quarterly basis. It is recommended that you obtain an exemption certificate for both yourself and your spouse (if relevant), and to agree your assessment each year with the Inland Revenue. If you do not appoint a tax adviser to act on your behalf, we reserve the right to do so and to deduct the fees from your rent.

1.16 Rent Statements

Lornham will send the landlord a statement of account showing deductions from the rent of our fee, tax if appropriate, management fund or sum to cover bills as appropriate and any other payments due from you. We will send the balance to the landlord or as directed. Unless otherwise instructed by the landlord in writing, payment according to the latest instructions received from the landlord will be sufficient discharge of our duty and we will have no liability whatsoever once such payment has been made.

2. **Comprehensive Property Management**

2.1 The Comprehensive Property Management service includes all the terms of the lettings service as well as those outlined below. The fee for the management service is 5% which is taken quarterly in advance.

2.2 **Terms of Management Appointment**

2.2.1 Except in cases where you intend to re-occupy the accommodation and where special arrangements are made, our appointment is for an agreed initial period of one year and thereafter subject to four weeks' notice to terminate on either side. We expect to be placed in sufficient funds being a minimum of £300 at the commencement and if necessary, during the term of the management, to enable us to meet all expenditure prior to the next rent collection. We hold this working balance so that we can undertake to meet any outgoings up to the limit of the cash available in our hands on your account.

2.2.2 The landlord agrees that he appoints us or our assignees as his agent in connection with the agent's functions under this agreement and the tenancy agreement to be entered into and authorises us (without any obligation to do so) to enter the premises and take all reasonable steps with regard to our appointment as agent.

2.3 **Keys**

A set of keys is required so that we can manage your property effectively. These will be held using our secure key tag system so in the event that keys are lost by Lornham, our responsibility is solely for the cost of replacing them.

2.4 **Repairs**

2.4.1 Lornham will manage the tenanted premises for the term of the tenancy and have direct contact with the tenant should he report any faults, breakdowns or any other day to day problems which may occur.

2.4.2 Provided we are in funds, for which purpose we may retain suitable sums from rents collected, we shall pay on the landlord's behalf all water charges, ground rents, insurance rent or premiums and service charges payable in respect of the premises, if the demands for these are sent to us.

2.4.3 We shall arrange minor repairs as and when necessary throughout the tenancy including instructing plumbers, electricians and maintenance engineers to carry out minor or emergency repairs. We do not accept responsibility for work carried out by our appointed workman. If the landlord is not available to approve an estimate and we are satisfied that the price is reasonable and that the repair should be completed without delay, we shall proceed with the work as soon as possible. If we have insufficient funds to pay for the work, we shall not carry it out until we are in receipt of sufficient funds to cover the cost.

2.4.4 We shall use all reasonable endeavours to ensure the premises are maintained in their original condition (fair wear and tear excepted) in accordance with the terms of the Tenancy Agreement, and at the termination of the tenancy to arrange the repair of any damage and dilapidations as listed in the inventory check-out report.

2.4.5 We shall compile a statement of account listing the charges to be deducted from the deposit at the termination of each tenancy. If we do not receive written instruction to deduct this or any other amount from the deposit within fourteen days of the end of the tenancy we reserve the right to release the entire deposit to the tenant.

2.5 **Management Inspections**

2.5.1 We shall visit the premises twice each year to look at the condition and decorative order and report any obvious defects to you. It must be understood that these inspections can only provide a superficial examination and are not intended to be a structural survey or inventory check. We cannot accept responsibility for hidden or latent defects.

2.5.2 Any inspection of the premises and assessment of defects which are brought to our notice would embrace only obvious defects.

Any want of repair or other defect found by us for whom the landlord is responsible will be reported to you with any recommendation for further investigation. Any further inspection by us or structural or complete survey by a qualified body would be by special arrangement and subject to an additional fee. A fee of £100 will be charged for any additional visits by Lornham personnel to the property or for the arrangement of any third-party inspections/activities.

2.5.3 Please note that our function is that of Managing Agents for the letting and not for the building and we are entitled to assume that the actual structure of each apartment and the common parts and lift will be maintained by yourself or the managing agents of the building as appropriate. We cannot be responsible for arranging redecorating, major or structural repairs or dealing with insurance claims unless previously agreed.

2.6 **Void Periods**

This service is subject to a charge of £50.00 per month (exclusive of VAT and costs) when the property is un-let. We will continue to manage the property during this period, however, cannot be held liable for any loss and/or damage arising from fire, flood or theft. If the landlord requires supplies to be turned off or disconnected during this period, Lornham must receive instructions in writing and will arrange for the required contractor to attend at the landlord's expense. The landlord is advised to contact his insurance company should the property be empty for longer than 30 days.

2.7 Purchase of Items for Property

Lornham has access to suppliers who can deliver common household items to the property. If, however, you require us to purchase items from a specific source then our time on this will be charged at £50 per hour or part thereof.

2.8 Dealing with Third Parties

Lornham will liaise where necessary with the landlord's accountants, solicitors, superior landlords, managing agents, mortgagees and insurance companies.

2.9 Preferred Contractors

2.9.1 If the landlord requires Lornham to use specific contractors whilst managing the premises you should inform us of their name, address and all contact numbers prior to the commencement of each tenancy. Lornham reserves the right to use alternative workmen in the event of an emergency.

2.9.2 We shall endeavour to arrange utility meter readings and advise service companies of the change of occupier where practical at the commencement and termination of a tenancy without liability on our part of any failure or delay on the part of the supplier.

2.10 Hourly Management Charge Rate for None Specified Services

Our fee for additional staff time spent on none specified management matters is £50.00 per hour office based activity and £80.00 per hour out of office attendance, unless otherwise specified in this agreement.

3. Landlord's Obligations

3.1.1 The landlord warrants that consent to let from his mortgagees and insurance company have been obtained, that if he is a lessee, the necessary consent has been obtained and the lease extends beyond the term of the tenancy.

3.1.2 The landlord has entered in to this agreement with the approval of any joint owner(s). All owners of the property are named in the tenancy agreements.

3.2 The Furniture and Furnishings (Fire)(Safety) Regulations 1988 – Amended 1993

Under the above regulations, the landlord has the obligation to ensure that all furniture in properties being rented for the first time, or any new or additional furniture being put in a property already rented out, must comply with the fire regulations by displaying a label stating that they are fire resistant. If items of furniture do not comply with the fire regulations, the landlord must change the items before any tenancy commences. Instructions to let a property available for rental will only be accepted if all furniture complies with the regulations. Failure to comply can result in prosecution

3.3 **The Gas Safety (Installation & Use) Regulations 1998**

It is the landlord's responsibility to ensure that all gas appliances and the fixed installation are maintained in good working order and must be checked and certified at least annually by a CORGI certified gas appliance engineer. Lornham must be in receipt of a valid gas safety certificate before a tenancy can commence.

3.4 **The Electrical Equipment (Safety) Regulations 1994**

The landlord is legally responsible for ensuring that all electrical appliances and the fixed installation are maintained in good order. We strongly recommended that a safety check is carried out by a qualified electrical engineer at least once a year and that instruction books for all of the appliances are left at the property.

3.5 **The Building Regulations 1991**

The above regulation requires that all properties built since June 1992 must have mains operated interlinked smoke alarms fitted on every floor. There are no such regulations regarding older property, but, it is advisable and recommended that smoke alarms be fitted to all properties.

3.6 **Indemnity**

The landlord undertakes to keep Lornham fully and effectively indemnified in respect of any claim, demand, liability, cost, expense or prosecution which may arise due to the failure of the landlord to comply fully with the terms of all the above Regulations, including any subsequent amendments thereto or replacement Regulations.

4. **Sales Provisions**

4.1 **Sale Of Property To Tenant**

In the event that the tenant, occupant or licensee of the property enters into an agreement with the owner/landlord to purchase the property, a commission of 2% of the purchase price becomes payable by the owner/landlord to Lornham when contracts for the sale of the property are exchanged. Lornham reserves the right to defer payment of this commission until completion.

4.2 **Sale Of Property By Landlord**

Where a property is sold, transferred or otherwise dealt with, with the benefit of a tenancy, Lornhams' fees remain the responsibility of the original landlord for the duration of the tenancy and for any extensions, renewals or periods of holding-over, irrespective of whether negotiations were carried out by Lornham. The landlord should instruct his solicitor to assign responsibility for Lornhams' fees to the purchaser.

5. **General**

5.1 **Permissions and Consents**

The landlord warrants that consent to let from his mortgagees has been obtained, and where he is a lessee, the lease extends beyond the term that he proposes to let and that any necessary consents have been obtained, and he has notified his insurance company of his intention to let and has obtained their agreement to extend the insurance cover on the property and its contents to cover the changed circumstances, and 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.

5.2 **Commission & Interest**

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

5.3 **Outstanding Fees**

The landlord agrees that, where any of Lornhams' fees, commission charges and/or renewal commission charges remain outstanding for more than seven days, Lornham 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 Lornham is instructed.

5.4 **Keys**

Lornhams' secure key tag system ensures that third parties cannot identify which property a set of keys belongs to. Therefore, in the event that keys are lost or unaccounted for, Lornhams' liability is strictly limited to the cost of cutting a new set of keys.

5.5 **Duplicate Documents**

In the event of Lornham having to send duplicate documents or statements, a charge of £2.50 per document or statement will be made, subject to a minimum charge of £10.

5.6 **Disclaimer**

Lornham will carry out all services with reasonable care and skill. However, we are unable to guarantee the suitability of tenants, timely rental payments or vacant possession at the end of a tenancy and cannot be held liable by the landlord for such events.

5.7 **Legal Proceedings**

Lornham 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 £650 per day, or part thereof. Lornham will not accept service of legal proceedings on the landlord's behalf.

5.8 **Indemnity**

The landlord agrees to indemnify Lornham as agent 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.

5.9 **Amendments/Variations**

This contract constitutes the entire agreement between Lornham 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 a Director of Lornham.

5.10 **Interest**

Lornham's fees are payable on demand, as and when they fall due. Lornham reserves the right to charge interest on any amounts outstanding twenty-eight days after the fees are first demanded. Interest will be charged from the date the fees become due at the annual rate of 2% above HSBC's base rate.

5.11 **VAT**

All Lornham commission fees and any other charges are subject to VAT at the prevailing rate.

5.12 **Jurisdiction**

The High Court and the County Courts of England and Wales shall have jurisdiction to hear and determine any action or proceedings in respect of this agreement.

5.13 Lornham reserves the right to change the schedule of fees and these terms of business.

I/we am/are fully aware of all obligations pursuant to the Furniture and Furnishings (Fire) (Safety) Regulations 1988 (1993), the Gas Safety (Installation and Use) Regulations 1998 and the Electrical Equipment (Safety) Regulations 1994 including all subsequent amendments or replacements and I / we accept and have full responsibility to ensure that the property complies with these regulations before and during the letting of the property.

I have read and accept these Terms and Conditions of business and appoint Lornham to provide the service(s) stated herein.

Signature: _____ **Date:** _____

Print Name: _____