



## Terms and Conditions of Business for introducing tenants Let Only or Letting & Management Service

These terms and conditions supercede any and all previous agreements, written and/or oral, made between Orchards and the Landlord and will constitute the entire Agreement between the Landlord and ORCHARDS; no waiver, alteration, modification or addition to these terms and conditions shall be binding upon ORCHARDS unless made in writing and signed by a director of ORCHARDS.

Client: (Full Names)

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Clients Address:

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Rental Property Address:

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Date: \_\_\_\_\_

Level of Service: *(delete as appropriate)*

**Let Only or Letting & Management Service**

Signature by Landlord:

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Signature by Orchards:

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*Orchards offer two levels of service to our clients and confirm in the event that Orchards introduces a suitable Tenant our fees will be as follows:-*

### 1. Let Only

Orchards fees to set-up the tenancy are charged at the equivalent to the first months rent plus VAT. Under normal circumstances we will deduct our fee from the first rental payment. If the rental payment proves insufficient to cover the fee, we will invoice for the balance which is payable immediately.

### 2. Letting & Management Service

Orchards fees will be equivalent to half of the first months rent plus VAT to find the Tenant and set-up the tenancy. Our management fees we will charged at 10% plus VAT payable monthly, and deducted from the monthly rental payments

### Renewal / Extension Fees

Orchards fees to set-up any renewals of the Tenancy Agreement or extensions of the Tenant's rights to occupy the property will be a fee of £100 plus VAT. These fees shall be payable on the commencement day of any new renewed or extended term.

### Holding Of Deposits under the Tenancy Deposit Protection Scheme

If the property is to be managed by Orchards, Orchards will, as part of their management fee register the deposit under the rules of the Tenancy Deposit Scheme with the Tenancy Dispute Service and hold the deposit as stakeholder within a bonded clients account. If clients whom have chosen our "Let Only" service require Orchards to hold and register the deposit an additional fee will be charged at £50 inc VAT for this service.

Further details on the scheme can be found on [www.tds.gb.com](http://www.tds.gb.com)

## 1. Let Only Service

For this service we will:

- 1) Advise upon the rental value and agree an asking rent at which the property is to be marketed.
- 2) Market the property
- 3) Refer all offers from prospective tenants to the Landlord
- 4) Take up references, but not including any charges for company investigations. Copies of such references will be provided.
- 5) Preparation of the tenancy agreement so as to include all necessary legal obligations on the part of the Landlord and the Prospective Tenants. Orchards reserve the right to charge a fee of £250 plus VAT if you withdraw from the tenancy once the terms have been agreed and/or the references for the prospective tenants sourced through Orchards have been submitted to Orchards for processing to our external reference agency.
- 6) Where possible, Orchards will take a holding deposit from the prospective tenant whilst vetting the tenant. If in the event the tenant then wishes to withdraw from the tenancy, Orchards will retain £250 inc VAT and the remainder of the monies will be paid to the Landlord.
- 7) Take collection of the deposit from the Tenant against any breach of the Tenants covenants as set out in the Tenancy Agreement. The deposit will be a sum equivalent to 6 weeks rent (or as otherwise agreed with the Landlord). In the event you have arranged for Orchards to register the deposit under the rules of the Tenancy Deposit Scheme with the Tenancy Dispute Service we must have instructions from you to release the deposit monies no later than 7 days after the end of the tenancy. Our obligations under the scheme are to return the deposit to the Tenant no later than 14 days after the tenancy has terminated. If there are any disputes arising and to be charged to the tenant and these are in dispute then the disputed monies with evidence must then be passed to the Dispute Service immediately to enable the service to arbitrate between both parties. Further details on the scheme can be found on [www.tds.gb.com](http://www.tds.gb.com)
- 8) Preparation and submission of first months rent statement and collection of the first month's rent in advance.
- 9) Notify the relevant service companies (gas, electricity, water and local authority) of the change of occupier and arrange for those services to be transferred into the name of the Tenant at commencement of the Tenancy.
- 10) Where applicable, service of the relevant notices upon the tenant prior to signing of the agreement.
- 11) Arrange for a detailed inventory to be drawn up and produced, signed with any comments added by the tenants on the commencement day of the tenancy.
- 12) Arrange to meet and move the tenant into the property and provide the Landlord with copies of inventory, contracts, notices, meter readings and a statement showing monies paid by the tenant and fees charged by Orchards.
- 13) Orchards offer a move out service charged at £150 inc VAT, we will attend the move out and cross reference the inventory, make notes on the properties condition and if needed arrange for works to be carried out. This service is mandatory to those Landlords whereby Orchards are in possession of the Tenants' deposit.
- 14) Ensure the Landlord is aware of relevant general Safety Regulations.
- 15) Exclusions – Orchards will not be responsible for assessing dilapidation claims between Landlord and Tenant where we are not in attendance at the move out (please refer to point number 12 above)
- 16) We accept no liability for any damage to the Property, its fixtures, fittings or contents or for any losses which may be suffered by you as a result of the Tenant failing to comply with the obligations contained in the agreement or caused by workmen during the course of their work at the Property.
- 17) We accept no liability if in good faith we follow instructions of the Landlord which turn out to be themselves unlawful or result in an unlawful act or otherwise give rise to any claim. Under these circumstances we expect to be fully indemnified by the Landlord against all penalties, damages, costs and any other expenses which we might have incurred as a result of following such instructions.
- 18) Likewise the Landlord will indemnify us against any claim or action brought against us by the Tenant or anyone claiming through the Tenant or any third party in respect of anything we are alleged to have done or not in relation to the Property carried out on the Landlord's behalf and his agents.
- 19) Although we will take up references on the Tenant prior to the commencement of the Tenancy, we cannot guarantee the reliability of any tenant, their rent payments or vacant possession at the end of the Tenancy and we therefore do not accept liability should any of these problems arise.

- 20) The Landlord should ensure that prior to the start of any tenancy he is not in breach of the terms of any mortgage, covenant or lease and that Landlord is permitted under the terms of any lease to let the Property; any letting is for a period which is due to expire prior to the termination of the Landlord's own interest in the Property; permission is obtained, in writing, from any mortgagee for sub-letting where applicable; and permission is obtained, in writing, from any superior landlord for sub-letting where applicable.
- 21) It should be noted that the Landlord remains liable for paying the council tax for periods where the Property remains empty or on a Property that is not the sole or main residence of the Tenant
- 22) The Landlord's Property and its contents should be fully insured and the insurance company notified of the intention to let the Property (and permission sought if applicable). The Landlord should also consider insuring for public liability. We recommend that further cover be considered for loss of rent should the Property be made uninhabitable by an insured risk, and the Tenant needs to find alternative accommodation.
- 23) In the event that our commission is not paid to us within 30 days, interest shall accrue on a day to day basis on the outstanding at 5% per month above the base rate of the Royal Bank of Scotland Plc from the date the commission fell due to the date it is paid.
- 24) Orchards unless otherwise instructed will sign the Tenancy Agreement on your behalf as your Letting Agent. A standard copy of the tenancy agreement is available for inspection upon request at Orchards premises during normal business hours, which will form the agreement to be used unless specifically instructed otherwise in writing

## 2. Letting & Management Service

For this service we will:

- 1) Provide the services numbered listed in the Let Only service
- 2) Demand and collect the rent throughout the Tenancy. Rent will usually be collected by standing order but in some cases will be paid by cheque. Upon clearance of the funds, Orchards will account to the Landlord for the net amount after deducting our commission and withholding any tax due.
- 3) Pay, on the Landlord's behalf, any agreed outgoings such as service charge demands, insurance premiums and any service charge and/or maintenance charges or similar contribution to shared expenses and account to you regularly. Orchards normally expect to be placed in funds to enable all expenditure prior to the next rent collection to be met as Orchards cannot undertake to meet any outgoings beyond the available cash and from time to time in Orchards hands on Landlord account. Although Orchards shall do their best to query any obvious discrepancies in consultation with the Landlord, subject to any additional charges which may be incurred, it must be understood that we are entitled to accept and pay without question demands and accounts which appear to be in order and, where necessary, to do so without prior consultation. In particular, ORCHARDS cannot accept responsibility for the adequacy of any insurance cover or for the verification of estimates where applicable.
- 4) Orchards unless otherwise instructed will sign the Tenancy Agreement on your behalf as your Managing Agent. A standard copy of the tenancy agreement is available for inspection upon request at Orchards premises during normal business hours, which will form the agreement to be used unless specifically instructed otherwise in writing.
- 5) Manage the Property on the Landlord's behalf in all respects on a daily basis ensuring, so far as reasonably practicable, that the Tenant observes the terms of the tenancy agreement. Our Management will include investigation of any defects which come to our notice or are clearly and adequately brought to our attention.
- 6) Carry out inspections of the Property three months after the commencement of the first tenancy and thereafter on a bi-annual basis. It should be appreciated that any such inspection can extend only to apparent and obvious defects. It would not amount in any way to a structural survey of the property and would not necessarily reflect the condition of the property at the end of the tenancy. Further, Orchards cannot accept any responsibility for hidden or latent defects. Should the Landlord wish to inspect the property a written request must be sent to the Management Department at Orchards who will then arrange a suitable date and time.
- 7) Take all reasonable steps to protect the Landlord's interest in the case of an emergency. In the event of extreme emergency Orchards are authorised to commission essential repairs needed to return the property to a habitable condition and to debit the cost of such to the client deposit account and notify the Landlord accordingly. Where, either upon instruction or in the event of emergency, Orchards instruct contractors to perform works the responsibility of inspecting such works remains with the Landlord and Orchards accepts no responsibility for the adequacy of such.
- 8) In the event of the Landlord failing to provide instructions to carry out necessary repairs within a reasonable timescale an administration fee may be charged by Orchards to cover the costs of dealing further with the complaint and liaising with the Landlord.
- 9) Orchards appointment as Managing Agents shall be for the full term of the tenancy agreement and can subsequently be terminated by either party subject to six months written notice.
- 10) Orchards management function does not include the supervision of the property when it is not let, albeit that this service is available at an additional charge.
- 11) Our management service will include the provision of an optional rent and legal protection cover. The charge for the Rent Guarantee cover is currently free of charge for the first six months (subject to terms and conditions). Full details of the cover provided along with a copy of the policy wording are available upon request.

- 12) If emergency repairs are required we reserve the right to proceed without consent if it is considered necessary to protect the Property and the Landlord is not contactable.
- 13) When major repairs are required, Landlords will be required to provide Orchards with additional funds prior to the commencement of such repairs if we do not already hold sufficient monies to pay for the works.
- 14) Overseas Landlords are required to provide a UK address to be used in the event of an emergency or issuing of Notices.

## Rent

Unless otherwise agreed, the rent quoted to a tenant by Orchards on the Landlord's behalf must be inclusive of all outgoings for which the Landlord is responsible (i.e. ground rent, service charges, etc.) with the exception of gas, water, electricity, television license, telephone service, community charge and fuel oil where there is an independent oil fired heating system;

Rent monies received, less outgoings and charges, will be transferred to the Landlords bank account/ cheque raised within 10 working days of receipt, unless paid in advance in excess of one month's rent;

Where a tenant has paid advance rent in excess of one month's payment to Orchards this will be sent to the Landlord, less outgoings and charges, on a monthly basis, unless otherwise agreed. Any interest earned in respect of monies held on account will be for the benefit of Orchards to cover the costs of administering such.

You will be informed of any rent arrears within 30 days of the rent due date and/or breaches of covenant brought to Orchards attention as soon as administratively possible, however, if it is necessary for legal action to be taken, you will be responsible for instructing your own legal advisor, subject to any legal protection insurance maintained through Orchards and for all fees involved.

## Taxes Management Act 1970 – Overseas Landlords

Where the Landlord of furnished property resides abroad, unless an exemption certificate has been obtained, the Commissioners of Inland Revenue require Orchards, as the Landlord's agents, to deduct income tax at the basic rate and hold the amount so deducted to Landlord credit in a Tax Reserve Account until the taxation liability has been agreed with the Inspector of Taxes, producing tax return statements at the relevant times. Similarly, if you presently live in the UK but subsequently move abroad it will be necessary for Orchards to commence this deduction from the time that you leave the country. We therefore strongly advise that you co-operate with Orchards in seeking to obtain an exemption certificate from the Inland Revenue at the earliest possible opportunity.

## Tenancy Rental Deposits

Orchards are members of the Tenancy Deposit Scheme, which is administered by:

The Dispute Service Ltd  
 PO Box 541  
 Amersham  
 Bucks  
 HP6 6ZR

Telephone Number: 0845 226 7787  
 Email: [deposits@tds.gb.com](mailto:deposits@tds.gb.com)  
 Fax: 01494 431 123

- 1 If the Agent is instructed by the Landlord to hold the deposit, the Agent shall do so under terms of the Tenancy Deposit Scheme.
- 2 The Agent holds tenancy deposits as Stakeholder.
- 3 **At the end of the tenancy covered by the Tenancy Deposit Scheme**
  - 3.1 If there is no dispute 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.
  - 3.2 If, after 10 working days\* following notification of a dispute to the Agent 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 3.3 below) be submitted to the Independent Case Examiner of The Dispute Service (ICE) for adjudication. All parties agree to cooperate with any adjudication.

\* These timescales can be changed by agreement with the Tenant in individual cases or by the contract used as standard by the Agent.

- 3.3 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 Limited from time to time, shared equally between the tenant. The liability for any subsequent costs will be dependent upon the award made by the arbitrator.
- 3.4 The statutory rights of either the Landlord or Tenant(s) to take legal action against the other party remain unaffected.
- 3.5 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 on the ICE as final and binding.
- 3.6 If there is a dispute we must remit to the The Dispute Service limited 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 we want to contest it. Failure to do so will not delay the adjudication but the The Dispute Service Limited will take appropriate action to recover the deposit and discipline us.
- 3.7 The Agent must cooperate with the ICE in the adjudication of the dispute and follow any recommendations concerning the method of the resolution of the dispute.
- 3.8 **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.

### **Statutory Obligations**

In letting the Property, the Landlord agrees to comply with the terms and conditions as set out in the Tenancy Agreement. Furthermore, the Landlord agrees to comply with and maintain the Property in accordance with his statutory obligations and in particular in accordance with the Landlord and Tenant Act 1985.

### **Keys**

One set of keys will be required to be held at Orchards offices along with one set to be given to the tenants upon moving in. All keys will be coded and logged into a locked key cupboard, however Orchards accept no responsibility for holding of keys and in the event of a lock change being required will not be held responsible for the cost of such. In addition acceptance of keys into Orchards possession will not make Orchards responsible for the property concerned and it is strongly recommended that the Landlord retain a set of keys also.

### **Tenancy Renewals**

ORCHARDS will review the tenancy agreement prior to the expiry of any fixed Term and after twelve months in the case of statutory periodic tenancies.

### **Change of Landlord details**

We must be notified as soon as possible of any changes to your correspondence address and banking details where applicable and confirmed to us in writing or email.

### **Advertising**

Whilst every effort will be made to let the property as soon as possible no guarantee can be given for the amount or accuracy of any advertising provided by Orchards.

### **Additional fees**

*These fees are not outlined in page 1 of this agreement*

- A handling charge of £1.00 per package plus postage for Landlord's post handed into Orchards office or collected from the property on our property inspections and forwarded to the Landlord;
- The cost of any overseas telephone calls (at BT cost price) plus an administration charge of £1;
- A handling charge of 10% (minimum £5 - maximum £10 fee) on each payment, made by Orchards on the Landlord's behalf;
- Prior to the expiry of the first tenancy agreement ORCHARDS will conduct a review of the tenancy and if required prepare a new tenancy agreement for signature. Where a tenancy continues on a statutory periodic basis Orchards will review the tenancy on an annual basis. A charge of £100 inc VAT is made to the Landlord for the cost of the tenancy review including any new tenancy agreement and/or notice preparation;
- The cost of any company investigations, by negotiation;

- If you wish your property to be managed during any void period ORCHARDS will undertake to do so at a charge of £25 per visit.
- We reserve the right to charge separately from the above for any services provided beyond this agreement in accordance with usual business charges, details of which may be provided upon request.
- We reserve the right to increase charges from time to time and will inform the Landlord in writing in advance;
- Where insurance products are supplied to you any commission payable to Orchards will be included within the premium quoted;
- All fees and any other charges will be subject to VAT at the standard rate unless otherwise stated.

### **Project Management Fee**

If Orchards are instructed or required by the Landlord to manage a project, then we will charge an additional fee of £50 plus VAT per hour for managing the project if the works are in excess of £1000.

### **Applicable Law**

This agreement shall be governed by English Law.

### **Gas Safety Regulations**

The Landlord ensures the Property complies with the Gas Safety (Installation and Use) Regulations 1994. Orchards are able to arrange a gas service to comply with the regulations, however the responsibility for such remains with the Landlord.

### **Furniture & Furnishings (Fire) (Safety) Regulations 1988 & Furniture & Furnishings (Fire) (Safety) (Amendment) Regulations 1993**

The Landlord ensures that all furniture and furnishings comply with the Fire and Furniture Regulations. Although Orchards are able to advise upon such it is the responsibility of the Landlord to ensure that the furniture and furnishings provided are acceptable.

### **Electrical Equipment Regulations 1994 & Periodic Electrical Inspection**

Landlords are responsible for ensuring that all Electrical Installations and appliances comply with the Regulations, and to provide tenants with certification that the electrical installation that is safe and in both good condition and repair. The purpose of this certificate is to ensure the safety of your tenants and your property. Keep your property both legal and safe.

### **Energy Performance Certificates**

Landlords will be held responsible as of the 1<sup>st</sup> October 2008 for ensuring that a valid Energy Performance Certificate for the rental property/properties. Orchards will be happy to organise for an assessor to attend the property to comply with these regulations, however the responsibility for such remains with the Landlord.

### **Copyright**

All brochures, forms, letters and other literature supplied by Orchards including these Terms and conditions are subject to copyright 1996 – 2010.

### **Court Appearances**

Our management fees do not include a provision for appearance by our Staff at Legal Proceedings. Should our appearance be required, our costs will be charged under a separate agreement between ourselves and the Landlord or his representative.

### **Orchards – Customer Complaints Procedure**

Here at Orchards our aim is to provide the highest standards of service to all Landlords and Tenants, but to ensure that your interests are safeguarded, we offer the following:

- If you believe you have a grievance, please write in the first instance to: Debbie Prosser at the address above.
- The grievance will be acknowledged immediately, investigated thoroughly in accordance with established "in house procedures" and a reply sent to the complainant within seven working days of receipt of the letter.
- If the complainant is dissatisfied with the result of the internal investigation, please contact Julian E. French who is a director of the company, at the same address.