

GUIDE TO LANDLORDS

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SECTION A: THE LETTINGS SERVICES

We have two types of Lettings Services, “Tenant Finding Only” and “Tenancy Management.” Our Lettings Services specifically do not include any activities as detailed under any other section in this document.

TENANT FINDING ONLY

This service ends when the negotiations are completed for the Tenant we have introduced to take occupation of the property. Our fees are due and payable upon the commencement of the Tenancy. All obligations for the Management of the Tenancy including the tenant taking up occupation of the property will be the responsibility of the Landlord.

1. MARKET APPRAISAL

- A visit to the property and a discussion, which includes a market appraisal, advice and information on letting and related services.

2. MARKETING AND ADVERTISING

- Advertising the availability of the property, from time to time, through whichever means in our opinion are appropriate.
- Erecting a “To Let” board.
- Automatic entry on to our Internet Website and other Portals.
- Automatic distribution of the property to our network of offices, as appropriate.

3. TENANTS

- Finding and introducing a Tenant.

4. NEGOTIATION

- Negotiating an acceptable rent for the Tenancy period, being the length of the term.
- Negotiating special terms or pre-Tenancy conditions in the Tenancy Agreement.

5. COMMUNICATIONS & INSTRUCTIONS

Where to contact us:

- Until the property is tenanted all communications will be to and from the appropriate Lettings office.
- Once a Tenancy has started communication will initially be to our Lettings Central Support Unit, PO Box 4213, Bracknell RG12 1QB
- E-mail enquiries@chancellors.co.uk
- Subsequent communications will be from one of our specialist departments in the Lettings Central Support Unit and all responses should be directed back to the relevant department and not to your Lettings Office.
- Whilst we are acting as your Agent we will communicate with you primarily by e-mail. We will regard any correspondence to or from you which is in writing, by fax, or by e-mail as being binding correspondence.
- We will accept instructions from you as being binding instructions if they are received in writing, by fax, or by e-mail. We will only accept oral instructions when they are followed up in writing.

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6. SOLE AGENCY

- The Landlord agrees to appoint us as Sole Agents for an agreed period from the date of our instruction, and thereafter until terminated by either party giving 2 weeks written notice.
- While we are the sole agent of the property the landlord will be liable to pay remuneration to us, in addition to any other costs or charges, as agreed, if at any time unconditional contracts for the letting of the property are executed:-
- With a tenant introduced by us during the period of sole agency;
- With a tenant with whom we have held negotiations during the period of sole agency;
- With a tenant introduced by another agent during the period of sole agency.

TENANCY MANAGEMENT

The Tenancy Management Service and the fees payable continues for a tenant(s) we have introduced throughout the entire original period of the Tenancy Agreement and any renewal of it or for its extension by any form of periodic tenancy (this therefore includes but is not limited to any period when the tenant we have introduced remains in residence).

Property Management is an additional separate service (detailed below in Section B).

The Tenancy Management Service includes all of the services and conditions as detailed in Tenant Finding Only plus:-

1. CONSIDERATION OF REFERENCES

- Our Referencing Service includes the Credit Check and, as appropriate, references from an employer, an accountant, a solicitor, a previous landlord or lender, and a personal reference. Appropriate references are taken for company lets including reviewing the company's trading position, the last set of filed accounts and, if required, a trading reference.
- If the landlord elects for our full service and standard referencing service our Rent Guarantee Scheme as detailed in Section G may be available.
- The Rent Guarantee does not apply if the landlord elects not to pay the standard letting fees and it is in any event subject to the other terms and conditions set out in Section G.

2. LEGAL FORMALITIES

- Drafting the Tenancy Agreement.
- Executing and exchanging the Tenancy documents.
- Abiding by the rules of the Independent Housing Ombudsman Scheme and the Tenancy Deposit Scheme and agreeing with any dispute resolution made by the Ombudsman and indemnifying CGEAL for any outstanding monies or costs resulting from that decision.

Please note that a documentation fee applies for this part of the service as detailed in the Lettings Terms of Business.

3. INVENTORIES & SCHEDULES OF CONDITION AND CHECK-IN

- Arranging the preparation on your behalf of a professional Inventory by an Independent Inventory Company
- Arranging Tenant Check-in.

4. RECEIVING INITIAL MONIES

- Receiving Monies

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- Receiving settlement of the initial account.
- Collecting and holding the Tenant's deposit as Stakeholder.
- Deposit disbursement will be in accordance with our standard procedures and those of the Tenancy Deposit Scheme, unless otherwise agreed.

5. RENT PROCESSING

- If requested, issuing demands before the rent due dates.
- Issuing reminders.
- Notifying Landlords when rent is more than 7 days overdue so that Landlords can take appropriate steps to recover monies due.

6. PROMPT ACCOUNTING

- We guarantee to remit funds to the Landlord within 5 working days of them being allocated to the Landlord's account subject to reserve funds being available (please note for funds received by personal cheque the period is 10 working days.)
- All Statements of rent received and associated transactions will be sent to you via a secure e-mail address, unless you instruct us otherwise.
- You must set your e-mail address to a secure setting to enable this to happen.
- All Remittance Notifications can be sent by text message to a mobile phone, unless you instruct us otherwise.
- Via the use of a PIN number you can have direct access to our secure data base which will allow you access to your account on line.
- In the case of joint Landlords we will communicate with one party at one contact point and it will be the responsibility of the nominated Landlord to keep other Landlords informed.
- The Anti Money Laundering Legislation and HMRC rules state that we must only remit to the parties who are named as Landlords on the Tenancy Agreement.

7. RENEWALS, EXTENSIONS & RE-LETS

- We will review and negotiate, on the Landlord's behalf; the rent, deposit, special terms and length of a new, renewed or extended Tenancy.

8. VACATION ARRANGEMENTS

- Serving the appropriate notices to terminate the fixed term of an Assured Shorthold Tenancy.
- Arranging Inventory Check-out.
- Dispersing the deposit as agreed between the parties in accordance with our standard procedures and the Tenancy Deposit Scheme (TDS).

9. SAFETY CHECKS

- We will arrange Gas Safety, Portable Appliance and Fixed Wiring Tests for each new let and re-let.
- If we are not asked to arrange any or all of the above, Landlords must supply and keep us supplied with current certificates.

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10. AGENT OF NECESSITY

- If the Landlord is unavailable, or if after reasonable enquiry we are unable to contact the Landlord, we reserve the right to arrange works without notice to ensure that the property meets statutory requirements and Health and Safety regulations and complies with best practice. If we are required to act as Agent of Necessity, the Landlord undertakes to fully reimburse us upon demand for all costs so incurred.
- Please note that in the case of emergency repairs we cannot guarantee to instruct any of the Landlord's preferred contractors.

11. REFUND OF FEES

- No refunds are payable where the term of the tenancy agreement ends before the end date specified in the tenancy agreement, be this an early termination by the agreement of the parties or one party serving a proper notice under a break clause. Where the property is re-let and new fees paid for the letting and or property management, the amount of the original fee that is "duplicated" will be credited to the clients account with us.

12. DEBTOR MANAGEMENT SERVICE

For our Debtor Management Service, please see Section F

13. RENT GUARANTEE SCHEME

This scheme is only available to our landlord clients who pay our standard tenancy Management Fees or Property Management Fees.

The scheme is described in Section G of this document.

14. E-SERVICES

We want to keep all our clients informed of key events throughout the marketing, letting and management of their properties. For more information please visit www.chancellors.co.uk/pdf/e-services.pdf

Fees for the Tenant Finding Only and Tenancy Management Services

These fees are set out in our Lettings Terms of Business.

DEFINITIONS & INTERPRETATIONS FOR THE TENANT FINDING ONLY AND TENANCY MANAGEMENT SERVICES

SOLE AGENCY

While we are the sole agent for the letting of the property the Landlord will be liable to pay our fee, which is calculated as a percentage of the Gross Rent, plus VAT at the relevant rate. Our fee is due upon execution of a Tenancy Agreement with a Tenant in any of the following circumstances:-

- A Tenant introduced directly or indirectly by us during our period of sole agency;
- A Tenant with whom we have held negotiations with during our period of sole agency.
- A Tenant introduced by another Agent during our period of sole agency

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Please note that any applicable Charges will become due upon execution of contracts.

MULTIPLE AGENCY

While we are instructed as multiple agent for the letting of the property the Landlord will be liable to pay our fee, which is calculated as a percentage of the Gross Rent, plus VAT at the relevant rate. Our fee is due upon execution of a Tenancy Agreement with a Tenant in any of the following circumstances:-

- A Tenant introduced directly or indirectly by us during our period of multiple agency;
- A Tenant with whom we have held negotiations with during our period of multiple agency.

Please note that any applicable Charges will become due upon execution of contracts.

MINIMUM FEE

Our minimum fee for each of our Lettings Services is £390.00 inc. Vat.

RENEWAL OR EXTENSION OF A TENANCY

Each and every time a Tenancy is renewed or extended, or if an Option to Renew is exercised, whether or not negotiated by us, our fees and other charges will be as for a new let and are due at the commencement of each and every renewal and/or extension period, whether or not rent has been received.

DEEMED RENEWAL OR EXTENSION OF THE TENANCY

Where a Tenant remains in the property beyond the agreed Tenancy period, but has not renewed or extended the Tenancy Agreement, the Tenancy will be deemed to be renewed as a Periodic Tenancy or extended for the same period as the original Tenancy and our fees and any other charges will be as for a new let.

INTRODUCTION OF OTHER PARTIES BY THE TENANT

If during the course of, or at the end of the Tenancy Agreement, a new Tenancy Agreement for the same property is entered into by the Landlord with any party who was introduced to the Landlord, either directly or indirectly by the Tenant whom we introduced to the Landlord, our fees will become payable in respect of that new letting and for each and every time an actual or deemed renewal or extension takes place. The fees and any other charges will be as for a new let.

ABORTIVE COSTS

If basic terms of a Tenancy have been agreed with the Landlord and we are instructed to proceed with the formalities and the Landlord then withdraws from the transaction, there will be an additional charge on the Landlord, as stated in the Lettings Terms of Business.

The Landlord will also be due to reimburse the Tenant(s) for any administration charges they have incurred.

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SECTION B: PROPERTY MANAGEMENT

1. PROPERTY MANAGEMENT

As long as we hold sufficient of the Landlord's funds to meet on demand the resulting invoices and charges, the Property Management Service includes:

- Arranging Gas safety, portable appliance and fixed wiring tests as necessary.
- Arranging any cleaning and garden maintenance necessary to put the property in order before or after a Tenancy. Often these costs are apportioned between Landlord and Tenant.
- Liaising with utility companies and arranging settlement of final accounts.
- Settlement of regular outgoings such as Ground Rent, Service Charges, Maintenance Charges, Note: - this does not include mortgage payments or insurance premiums.
- Periodic inspections of the property and the provision of a report on its general condition. The inspection will be limited to the property as stated in the tenancy agreement. In the case of flats it will not include the common parts or structure of the building nor the external condition of the windows and frames or any part of the building that is normally the responsibility of block managers. Obvious defects or disrepair will be noted, but these inspections are not building surveys and they are not intended to identify or investigate latent or structural defects.

2. RESERVE FUND

The Landlord undertakes to provide us with a reserve fund for any emergency repairs to the property or its contents, and for the payment of any monies properly payable to us. The amount of the reserve shall be at the discretion of the Property Manager but will not be less than £200 and will be in accordance with the requirements of the property.

When rent is collected from the Tenant upfront for the term of the Tenancy an increased reserve will be required. This will be agreed between the Landlord and the Property Manager.

3. REPAIRS

Routine Repairs

Routine or emergency repairs to the property, or contents belonging to the Landlord, will be initiated immediately and paid for out of funds held.

When such repairs are needed, payments will be deducted from the reserve fund. If the cost for such repairs is in excess of the Landlord's account, we shall retain the excess from future rent payments received from the Tenant. Further deductions from rents received may then be made to restore the reserve fund to the agreed amount, or we will request additional funds from the Landlord.

When contacted by the Tenant about repairs to the property, or the contents belonging to the Landlord, we will arrange for repairs to be carried out, provided we consider such repairs to be appropriate and that their cost will not exceed £200 inclusive of VAT.

No repairs other than those of an emergency nature will be carried out until the reserve has been credited with the funds required to meet the cost of the repairs.

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Non-Routine Repairs

If we discover the cost of repair is above £200 but less than £575 we will act in your best interests and make a decision based on the nature of the works e.g. it is often financially beneficial to allow a contractor to proceed whilst on site

4. KEYS

The Landlord agrees to provide us with three sets of keys to all external locks in the property. If we are required to arrange for keys to be cut there will be a charge in accordance with The Lettings Terms of Business.

5. CONTRACTORS

All contractors, whether arranged by us or by the Landlord are engaged on behalf of the Landlord. The resulting contract is between the Landlord and the Contractor. CGEAL is not a party to that contract. If the Landlord requires us to engage particular contractors, full details must be provided. These contractors must be suitably qualified. CGEAL is in no way responsible for contractors meeting their obligations.

We reserve the right to use our own contractors if, after reasonable enquiry the Landlord's preferred contractors are unavailable, or in cases of emergency where we have to act as Agent of Necessity. Electrical Contractors will be NICEIC qualified and authorised to provide a certificate under Building Regulations (Electrical Safety in Dwellings) Part P. They will provide a Fixed Wiring and portable appliance certificate.

The Landlord also undertakes to ensure that any D.I.Y electrical work at the property which is notifiable under Part P is certificated by the Local Authority under the above Electrical Safety in Dwellings Part P Regulations.

Gas Contractors will be CAPITA registered and authorised to issue Gas Certificates under the Gas Safety (Installation and Use Regulations) 1998 and as amended.

If we are instructed to deal with any Landlord "preferred contractors", rather than Chancellors approved contractors, we will ensure that the Landlord receives copies of all correspondence with that contractor.

As we have no control over Landlord preferred contractors we will undertake to contact them twice by e-mail. If after the second e-mail they fail to respond, we will advise the Landlord and it will become the Landlord's responsibility to instigate further communications with their preferred contractor.

We can accept no responsibility for any private arrangements made between the Landlord and their preferred contractor, or their failure to undertake works.

6. NOTIFICATION OF DEFECTS

Our offices, or emergency contractors, are on standby all year. This ensures that when a Tenant reports an emergency, it will be dealt with promptly and in accordance with any pre-agreed instructions from the Landlord. Out of office emergency contractors will gauge the seriousness of the situation and act to protect the property and its occupants.

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7. INVENTORY & SCHEDULE OF CONDITION

It is a condition of our Management Service and our Rent Guarantee Scheme that the Landlord provides an independent and professionally prepared Inventory and Schedule of Condition. We can arrange this on the Landlord's behalf.

It is a practical requirement of the Tenancy Deposit Scheme that an Independent Inventory & schedule of Condition be available to enable them to make a proper adjudication. Without such an Inventory the Landlord will be unable to prove to the satisfaction of the TDS that any damage to the Property is the responsibility of the Tenant. (See Section C below)

8. APPLIANCES

All appliances, including central heating, burglar and smoke alarms, should be checked and serviced before the Tenant occupies the property. Whenever possible maintenance contracts should be taken out and given to our Property Management Department if you are using our Management Service, otherwise they should be provided to the Tenant. Operating Manuals and Guarantee Cards must also be made available in the property.

9. UTILITIES

Your Lettings Branch will (except for the telephone service) arrange the provision of utility supplies to the Tenants. The Property Management Department will coordinate the termination of utility supply at the end of the Tenancy.

10. DEPOSIT DISBURSAL

Tenant's Deposits are held as Stakeholder and Disbursal will be carried out in accordance with our standard procedures and those of the Tenancy Deposit Scheme (TDS). More details regarding this matter can be found in Section C below.

11. RENT GUARANTEE SCHEME

This scheme is only available to our landlord clients who pay our standard Tenancy Management Fees or Property Management Fees.

The scheme is described in Section G of this document.

12. END OF MANAGEMENT SERVICE

Our Property Management service will not continue beyond the end of the tenancy. For other services refer to Section D "Vacant Property Services".

During the term of a Tenancy the Property Management Service can be terminated by either the Landlord or the Agent by giving the other party three months' notice, in writing.

13. INSURANCE CLAIMS

There will be a charge as set out in our Lettings Terms of Business for the service if we are instructed by the Landlord to deal with the administration, negotiation or settlement of insurance claims. We are however

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prohibited by law from assisting in the actual performance of a Landlord's insurance contract by, for example, notifying the insurer of the claim or assisting in the management of the claim.

14. COMMUNICATIONS & INSTRUCTIONS

Whilst we are acting as your Managing Agent we will seek to communicate with you primarily by e-mail. We will accept instructions from you as being binding instructions if they are received in writing, by fax, by e-mail. We will only accept oral instructions when they are followed up in writing.

FEES & CHARGES FOR THE PROPERTY MANAGEMENT SERVICE

Our fees for the Property Management Service are calculated as a percentage of the Gross Rent plus VAT at the relevant rate and are due on the rent payment dates as specified in the Tenancy Agreement and are payable irrespective of whether the Rent is paid.

Each and every time the Tenancy is renewed or extended beyond the initially agreed period, or if an option to renew is exercised, our Property Management fee will be charged at the same rate for the further agreed period or periods.

Houses in Multiple Occupation

For managing a Licensable House in Multiple Occupation where CGEAL is named as manager, there will be an additional fee of 2% of the gross rent for the period CGEAL are managing the property, in addition to any charges resulting from bringing the property up to the standards specified in the Housing Act 2004.

Our minimum fee for Property Management is £390.00 p.a. inclusive of VAT. If we are asked to provide a Property Management Service only there is an initial set up charge of £99.96 incl VAT.

SECTION C: DEPOSIT GUIDELINES

DEPOSIT

A deposit equivalent to at least one and a half months rent is held for the duration of the Tenancy to offset any costs required to remedy the failure of the Tenant to fulfil the conditions of the Tenancy Agreement. If we the Agent, CGEAL are instructed by the Landlord to hold the Deposit, the Agent shall do so under the terms of the Tenancy Deposit Scheme where the Tenancy is an Assured Shorthold Tenancy.

THE TENANCY DEPOSIT

The Chancellors Group Of Estate Agents Ltd is a member of the Tenancy Deposit Scheme, which is administered by:

Tenancy Deposit Scheme
The Dispute Service Ltd
PO Box 1255
Hemel Hempstead
Herts
HP1 9GN

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Phone 0845 226 7837
Web www.tds.gb.com
Email deposits@tds.gb.com
Fax 01442 253193

TDS means The Dispute Service Ltd

ICE means the Independent Case Examiner of The Dispute Service Ltd.

Agent means a person who is authorized to act on behalf of another, in this instance the Landlord.

Member means the Landlord's agent who is also a member of the Tenancy Deposit Scheme.

Stakeholder means that the person holding the tenancy deposit during the tenancy between the parties (landlord and tenant) should obtain the agreement of both sides before making any deductions for damage, cleaning etc.

DEPOSIT

We hold tenancy deposits as Stakeholder. These Deposits will be disbursed in accordance with our standard procedures as documented in this guide and where the tenancy is an Assured Shorthold Tenancy the requirements of the Tenancy Deposit Scheme.

At the end of the Tenancy CGEAL will arrange a Check-out and an Inventory/Schedule of Condition/ Check-out Report will be produced by an independent inventory company. The Inventory/Schedule of Condition/Check-out Report will be returned to CGEAL Property Management. The cost will be borne by the party stated in the Tenancy Agreement.

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

If there is no dispute CGEAL 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 Tenant. Payment of the deposit will be made within 10 working days of written consent from both parties.

At the end of the tenancy covered by the Tenancy Deposit Scheme where there is a dispute:

If, after 20 working days following notification of a dispute to CGEAL 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 can be submitted by either the Landlord or Tenant to the Independent Case Examiner of the TDS (ICE) for adjudication. All parties agree to co-operate with any adjudication.

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

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

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If there is a dispute CGEAL must remit to The Dispute Service Ltd the full deposit, less any amounts already agreed by the parties and paid over to them. This must be done within 10 working days of being told by the TDS 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 Dispute Service Ltd will take appropriate action to recover the deposit and discipline CGEAL.

CGEAL must co-operate with the ICE in the adjudication of the dispute and follow any recommendations concerning the method of the resolution of the dispute.

Dealing with disputes from non-ASTs: The Independent Case Examiner may agree to resolve any disputes over the allocation for these deposits, by arrangement. If he does:

- The ICE will propose what he considers the most effective method of resolving the dispute.
- Landlord, Tenant and Agent must consent in writing to his proposal.
- Disputes will be subject to a fee of £500 plus VAT, or 10% of the deposit plus VAT, whichever is the greater.
- The resolution process will not start until the parties' consent, the disputed amount and the fee have been submitted.

Incorrect Information

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

CGEAL do not make any charge to landlords or tenants for access to the TDS dispute resolution facility. There are no costs for the actual adjudication process save where we are required to provide information following a tenant's notification and we consider a landlord's claim is un-commercial and or frivolous.

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

Please note: Other Deposit Protection Schemes

If the Landlord decides to hold the deposit for an Assured Shorthold Tenancy under the rules of Tenancy Deposit Scheme and CGEAL are to collect the deposit we will forward the deposit to the Landlord within 5 working days of the production of a Registration Certificate from Tenancy Deposit Solutions for the deposit. If the Certificate is not received within 15 days of receipt of the deposit by CGEAL we will register the deposit with the Tenancy Deposit Scheme as above.

If the Landlord decides to hold the deposit for an Assured Shorthold Tenancy under the rules of the Deposit Protection Service (a custodial scheme) and CGEAL are to collect the deposit we will forward the deposit to the Deposit Protection Scheme within 5 working days of the receipt of a the appropriate registration details. If the details are not received within 15 days of receipt of the deposit by CGEAL we will register the deposit with the Tenancy Deposit Scheme as above.

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If the Landlord fails to meet the initial requirement to protect the deposit the Tenant can take legal action against the Landlord in the County Court. The Court can make an order stating that the Landlord must pay the Deposit back to the Tenant or lodge it with the custodial scheme which is known as the Deposit Protection Scheme.

In addition a further order may be made requiring the Landlord to pay compensation to the Tenant of an amount equal to three times the Deposit. The Landlord will be unable to serve a Section 21 Notice on the Tenant until compliance with the above conditions and the Court will not grant the Landlord a possession order.

The Agent has no liability for any loss suffered if the Landlord fails to comply.

For non Assured Shorthold Tenancies (ASTs) the relationship between the Landlord and Tenant is a contractual one and any dispute would be settled by the courts or an adjudicator agreed by both parties.

DEPOSIT DISBURSAL GUIDELINES

At the end of the Tenancy CGEAL will arrange a Check-out and an Inventory/Schedule of Condition/ Check-out Report will be produced by an independent inventory company. The Inventory/Schedule of Condition/Check-out Report will be returned to CGEAL Property Management. The cost will be borne by the party stated in the Tenancy Agreement.

If there is no dispute or a dispute has been settled between parties CGEAL 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.

DEPOSIT DISBURSAL PROCEDURE FOR PROPERTIES NOT MANAGED BY CGEAL

- a) Where it is available to us, we will send a copy of the Check-out report to both Landlord and Tenant with a letter stating that they should discuss any dilapidations with each other and come to an agreement as to dilapidation costs.
- b) Where CGEAL hold the Deposit:
When Landlord & Tenant reach agreement we need written confirmation from both parties that this is so before we arrange deposit dispersal. When written agreement is received we will arrange deposit release.
- c) Where CGEAL hold the Deposit under the rules of the TDS:
If after 20 days of receiving the check-out report Landlord and Tenant have failed to agree on the dispersal of the deposit either party can refer the dispute to the TDS, where the deposit is protected by the TDS.

If the TDS, Landlord and Tenant want to refer the case to the Courts or other external adjudication body, they must inform us in writing of their intention.

Either Landlord or Tenant can independently submit the dispute to the TDS for resolution. Details and Application Forms are on www.thedisputeservice.co.uk

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DEPOSIT DISBURSAL PROCEDURE FOR PROPERTIES MANAGED BY CGEAL

- a) Where it is available to us, we will send a copy of the Check-out report to the Landlord and Tenant asking for their comments in writing. If dilapidations have been costed these may be included with the Check-out Report.
- b) The Landlord's/Tenant's comments, when received, will be sent to the other party.
- c) When the Tenant's comments on any Landlords comments are received and if there are no issues CGEAL will distribute the deposit in line with the Check-out Report findings. When written agreement is received from both parties we will arrange deposit release
- d) If there are differences between the Landlord's & Tenant's comments, we will write to both requesting further observations. If, when the respective comments are received the Landlord and Tenant are now in agreement, CGEAL will disperse the deposit accordingly.
- e) Where the Deposit is held under the rules of the TDS:
If 20 days after receiving the check-out report the Landlord and Tenant have failed to agree on the dispersal of the deposit either the Landlord or the Tenant can independently submit the dispute to the TDS for resolution. Details and Application Forms are on www.thedisputeservice.co.uk
- f) Where the Deposit is NOT held under the rules of the TDS:

If, when the respective comments are received the Landlord and Tenant are still not in agreement CGEAL may acting as Stakeholder make a professional judgement and propose a settlement based on the known facts. This proposal will be sent to Landlord and Tenant and if they agree to the professional judgement the deposit will be dispersed accordingly. If the parties do not agree to the settlement the matter can be referred to the TDS for adjudication by either party.

MONIES PROPERLY OWED TO CGEAL

Any monies properly owed to CGEAL by the Landlord will be deducted from the deposit amount due to the Landlord and any monies properly owed to CGEAL (and/or any unpaid costs to third parties incurred on the Tenant's behalf by the Landlord or Agent) by the Tenant will be deducted from the deposit amount due to the Tenant and/or deposit monies being paid to the Landlord.

USE OF DEPOSIT MONIES

The tenant's agreement, an adjudication or a court order is required before deposit monies are available to a landlord to pay for works, purchase missing items or receive as compensation. Landlords will be required to make funds available before orders are placed for works or replacement items that are detailed on the check-out report or otherwise required as a result of a tenant's occupation.

COSTS OF NOTIFICATION OF A DISPUTE AND PROVIDING INFORMATION ABOUT A DISPUTE TO AN ADJUDICATOR

Notification of a dispute to an adjudicator and the supplying of information at the request of an adjudicator does not form part of our management service. Where we are instructed by a landlord to submit a notification on behalf of a landlord or where an adjudicator requests information following a tenant's notification and we consider a landlord's claim is un-commercial and or frivolous we will make charge at the standard hourly rate.

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SECTION D: VACANT PROPERTY SERVICES

1. GENERAL

Our Vacant Property Services ensures that the property is looked after wherever the Property Owner may be.

The service is available for properties vacant prior to letting, between Tenancies, following Tenancies, or in circumstances where the property is empty for any period of time.

There are two types of Vacant Property Service available: “Vacant Property Management” and “Vacant Property Visits”.

The provision of either of these services will only be arranged following the Landlord’s formal written instructions.

Please note that if we are requested to provide any of the services detailed below, the Landlord must provide us with sufficient funds to cover invoices from contractors, utility providers and our charges.

2. VACANT PROPERTY MANAGEMENT

Winter Weather Protection:

In the winter months we will arrange for the heating system to be switched on, however, we cannot be responsible for the effectiveness of the system. Alternatively we can arrange for the heating system to be drained.

Garden Maintenance:

We can arrange regular garden maintenance. We will require the Landlord to provide exact written requirements, e.g. cut grass, weed borders; do not touch shrubs/trees etc.

Utility Charges:

We can arrange for utility invoices to be sent to us. We will arrange settlement of these invoices out of funds provided by you. This does not include mortgage and insurance premium payments.

3. VACANT PROPERTY VISITS

This service provides visits to the property, during which we will clear post, marketing materials, newspapers etc.

The frequency of the visits will be determined by the client, who must provide us with a schedule of required visits to enable us to diarise these in advance.

A short report will be produced and e-mailed to you.

Most household insurance policies are invalid unless the property is visited at least once a fortnight. The insurance company must be informed if the property is to be vacant for more than 21 consecutive days.

This notification is strictly the Landlord’s responsibility.

4. VACANT PROPERTY MANAGEMENT AND VACANT PROPERTY VISITS

- Any tasks additional to those outlined above will incur additional charges.

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We reserve the right to increase these charges and will give the Landlord one month's written notice if we intend to do so.

SECTION E: REFURBISHMENT SERVICE

Both major and minor works are sometimes necessary to maintain or enhance a property's capital value and its rental value. We offer a flexible service, appropriate to the works and the extent of involvement required. Our depth of experience enables us to advise what will enhance rental value in a cost effective way. Our service includes:

Refurbishment Advice

Identifying suitable local trades' people and arranging the provision of their goods and services.

Sourcing Service

Identifying sources and arranging the purchase of furnishings, furniture, goods and equipment.

Refurbishment Service

The co-ordination of resources and trades people to successfully fulfil a detailed specification of works and provision of goods embodied in a detailed refurbishment contract.

Significant Repairs

Overseeing works for which the total invoices amount to more than £1,200 inclusive of VAT.

Fees for the Refurbishment Service

Our fees for the refurbishments services are calculated as 10% of the value of invoices (before VAT) raised to the client by suppliers/trades companies for works undertaken or goods provided to the client where Chancellors was the effective source of introduction between the Client and the supplier. VAT is also due upon our fees at the prevailing rate.

Minimum Charges for the Refurbishment Service

Upon receipt of instructions a fee of £60 inclusive of VAT becomes due. If a property visit takes place a fee of £120.00 inclusive of VAT becomes payable in the event of a subsequent cancellation.

Direct Landlord Instructions to Contractors

If a Landlord directly instructs a contractor introduced to the Landlord by CGEAL then CGEAL's standard fees for Property Refurbishment / Goods Supply shall immediately become payable based on the value of the works being ordered or goods supplied.

For further information about our Refurbishment Service contact: refurbishments@chancellors.co.uk

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SECTION F: DEBTOR MANAGEMENT

The Debtor Management Service is included within our Property Management Service at no extra charge except for the cost of any disbursements or fees paid to third parties such as for example Solicitors.

For other Clients this service is chargeable at an hourly rate of £105 inclusive of VAT. This is subject to an initial minimum charge of one hour and thereafter will be chargeable in units of 15 minutes at the rate of £27.54 inclusive of VAT and is chargeable for all travel time. Disbursements for travel costs will be charged at cost with mileage being charged at 54p per mile inclusive of VAT.

To instruct us to act it is necessary for all clients to provide us with written instructions stating that they accept the Terms and Conditions as set out above. The instruction will be actioned subject to funds being available to meet the initial fee invoice of £105 inclusive of VAT which will be charged in all cases.

This service is only available for Tenancies for which we collect rent and includes:

- Telephone and/or email communication with Tenants to prompt payment.
- Attempting to discover the reason for non payment i.e. Tenant circumstances (redundancy etc).
- Attempting to locate the Tenant where appropriate but not the cost of search agent's fees.
- Maintaining notes of all conversations for use in Court if necessary
- Keeping you the Landlord informed of all communications with Tenant.
- Advise Landlord on legal position and recommended actions.
- Instructing a solicitor on the Landlords behalf to pursue Tenant for debts and possession of the property as appropriate.
- The benefit of agreed rates for legal costs with our recommended solicitors. These are available upon request.
- Providing Landlord with file information to allow legal proceedings to progress
- Attend court as a witness when required.

We will not be liable for the outcome of any court proceedings resulting from an inability, for whatever reason, of our debtor management service to recover some or all outstanding monies owed to the Landlord or possession of the property.

Please Note

All Tenancies for which we collect rent have included within our Tenancy Management Fee our Rent Reminder service which is part of our Rent Processing Service. This includes:

1. The sending of 3 reminder letters to Tenants at 7, 14 and 21 days informing them that they are in arrears, the amount of their arrears and reminding them of their obligations under the terms of the tenancy agreement
2. Copy letters to Landlords informing them of the current status of the arrears.

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SECTION G - RENT GUARANTEE SCHEME

If a problem occurs with a Tenancy which has received written confirmation that our Rent Guarantee Scheme is in place for the Tenant the matter will receive the personal attention of the Chairman of the company.

The Chairman will ensure you receive advice on how to deal with the problem.

If appropriate, as your agent we will introduce you to our specialist Lawyers who will act for you and take proceedings against a Tenant for a breach of a Tenancy Agreement.

- The scheme is only available to clients of our Property Management Service where standard Tenancy Management Fees are also being paid (please note minimum fee percentages apply)

Upon conclusion of the Referencing Services we will review the tenant's circumstances and we reserve the right to decline to provide a rent guarantee prior to the creation of a tenancy or at renewal of an existing tenancy.

RENT GUARANTEE

If we make a Rent Guarantee available for a Tenant and that tenant falls into rent arrears for whatever reason; we guarantee the payment of certain limited rent for landlords:

- We will procure that arrears of rent is paid to the account of the landlord and we will if necessary pay the net rent due ourselves and seek to recover it from the tenant - provided the conditions set out below are met.
- Payments by ourselves will be made by allocating monies to the clients account with us and then remitting by BACS payment on the fifth working day after the rent due date.
- Our commitment to the landlord is that we will pay rent due (up to a maximum amount of £769 per week (3,333 per month) for the term of the tenancy for a maximum of eleven months; less any deposit paid and compensation for loss of interest due on the deposit (but please note that unless specifically approved at each anniversary the Rent Guarantee only applies to the first year of any tenancy lasting longer than one year).
- Payments will be made subject to any deductions agreed in the terms between us. (including our fees and any outstanding charges due from the landlord) which we are hereby authorized to set off or take as appropriate.
- In the event of payments being under this Warranty, all rights of the landlord to recover such sums shall be, and by signing our terms are authorised to be, subrogated to CGEAL in order to effect recovery of sums paid (which recovery may be made in the name of the landlord if necessary or expedient). Recovery of rents paid out shall be at the discretion of CGEAL.

CONDITIONS FOR GUARANTEED RENT SCHEME

The provision of this service is conditional upon the following:-

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- The Landlord must have received written confirmation from CGEAL that the tenancy has received our Rent Guarantee Approval.
- The Landlord has entered into a Tenancy only after our approval of the terms of the Tenancy Agreement.
- Rent collection must be conducted or controlled by CGEAL.
- Rent must be due for payment on a monthly basis.
- Rent must have been in arrears for 5 working days (Monday-Friday).
- CGEAL must have the first call on deposit monies which must also be held by CGEAL.
- The client will, if advised by us, terminate the tenancy and re-let the property to mitigate the loss of rent.
- The deposit must be greater than or equal to six weeks rent.
- There must be a professional inventory and the Check-in and Check-out must be conducted by an independent inventory company.
- If in the 2 years subsequent to this tenancy, the property is re-let or sold, the client will instruct CGEAL on a sole agency basis at our usual fees.
- The Tenancy Agreement used must be the standard CGEAL agreement must have been executed by us and must have been entered into after review of the tenant's suitability by use of our Referencing Service.
- The Tenancy must be an Assured Shorthold Tenancy.
- The Tenancy must not be a periodic Tenancy
- The Landlord must not have assigned their interest in the Tenancy.
- The rent must not have been paid by Housing Benefit.
- The provision of the Rent Guarantee scheme is also conditional on the Landlord complying with:-
- All of our Terms and Conditions as well as those of the Tenancy Agreement and all our recommendations in the creation and management of the Tenancy and the property.
- All conditions of any mortgage and/or superior tenancy.
- Their payment obligations to CGEAL and not being in legal dispute with CGEAL.
- The Landlord shall upon receipt of written notice from CGEAL or of becoming aware and within five working days repay to CGEAL all monies advanced under the Rent Guarantee Scheme where it can be reasonably assumed the advanced monies were not due under these Terms, Conditions and Definitions.

Please note that the Rent Guarantee is only applicable after the tenancy has commenced and the tenant has previously paid their initial account in full including rent and any deposit (as applicable).

SECTION H: ADDITIONAL COSTS

1. TASKS OUTSIDE OUR LETTINGS OR MANAGEMENT SERVICES

There will be a charge if:-

- We are asked to carry out property management tasks on non-managed properties such as organising cleaning, gardening, key cutting etc.

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- We are required to undertake tasks such as provide information for a court case, provide a witness statement, court appearances, fair rent assessment, or other tribunals.
- We are asked for post tenancy assistance or information.
- You will be advised of these charges when the service is requested.

2. HOUSES IN MULTIPLE OCCUPATION – LICENSE APPLICATIONS

The Chancellors Group Of Estate Agents Ltd is able to apply for a license on behalf of a client. The fee for this service if the property is not managed as an HMO by Chancellors is:-

£300 + VAT on initial application for a tenancy to the Local Authority plus any fees charged by them.

£100 + VAT on renewal of a tenancy plus any fees charged by the Local Authority.

We can also refer clients to surveyors who are able to advise in this specialist area.

3. OUTSTANDING FEES

The Landlord is responsible for our Fees for the term of the Tenancy. If fees are not paid within fourteen days of the date of an Invoice, we reserve the right to charge interest at a rate of 3% above the National Westminster Bank base rate and this will be calculated from the fifteenth day after the date of an Invoice up until the date fees are fully paid.

SECTION I: LANDLORD'S RESPONSIBILITIES

The Inventory & Schedule of Condition

- An inventory of household and garden effects compiled by a professional, independent inventory company will be provided at the Landlord's cost.
- The inventory should also contain comments on condition.
- The costs of the inventory are dependant on the size and content of the property and we cannot accept liability for any errors or omissions on the part of the Inventory Company.
- It is normal for the Tenant to be responsible for the Check-in and Check-out charges.

Electrical Safety in Rented Accommodation

For more information on the Landlords Duty of Care to ensure their accommodation is safe, please visit www.chancellors.co.uk/pdf/ElectricalEquipment.pdf

1. THE PROPERTY

The Landlord warrants that:-

- He/she is the legal owner of the freehold/leasehold interest in the property and/or is authorised to sign this and other relevant documents.

If the property is leasehold, the Landlord warrants that:

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- Any proposed Tenancy is permitted under the terms of the superior lease.
- Any proposed Tenancy will terminate before the expiry of the superior lease.
- Where necessary, the written consent of the superior Landlord has been or will be obtained.
- Any onerous or special terms of the lease that may be relevant to the letting will be disclosed to us.

The Landlord will provide copies of the superior lease, which will be made available to the Tenant.

2. MORTGAGES

If the property has a mortgage on it, which was granted before the start of the Tenancy the Landlord warrants that permission to let the property has been obtained from the mortgagee.

3. HOUSES IN MULTIPLE OCCUPATION

If the Tenancy created results in the property becoming a House in Multiple Occupation (HMO) as defined by the Housing Act 2004, (The Act) the Landlord warrants that:

- The property will meet the standards for HMOs as defined by The Act, including a Pass Certificate following a Fixed Wiring Inspection
- He/she will apply for a License if the Tenancy creates a Licensable HMO under The Act
- He/she is a fit and proper person as defined by The Act
- Any loft conversion meets the requirements of planning and building regulations

4. CONDITION

- At the commencement of the Tenancy Agreement the property must be in a clean and tidy condition and meet the required standards for letting.
- It is the Landlord's responsibility to maintain the property in good order throughout the term of the Tenancy.
- The Landlord is obliged by law to ensure that before the commencement of the Tenancy the property is fit for human habitation and will be so maintained during the period of the Tenancy Agreement.
- The Landlord agrees to accept responsibility for any liability under the Defective Premises Act 1972 in relation to the property, or any part thereof and agrees to indemnify us fully in the event of any claim made in this respect.
- Should the Landlord fail to meet these obligations we reserve the right to instruct contractors and deduct any costs incurred from rent received including any Administration Charges that apply.

5. INSURANCE

The Landlord will be responsible for buildings insurance, and for the insurance of the Landlord's fixtures and contents. The Landlord must inform the Insurance Company that the property is to be tenanted and we cannot accept any liability arising from failure to do so.

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It is important to check insurance policies to ensure that cover is provided for third party, public liability and defective premises risks. We cannot accept liability for deficiency in insurance cover. The Landlord will provide copies of insurance policies which will be made available to the Tenant

6. UTILITIES

The Landlord will be responsible for all outstanding utility bills and council tax bills up to the date of commencement of the Tenancy. The Landlord will be responsible for the payment of ground rent, service charges and maintenance charges, if any, throughout the period of the Tenancy.

If our Property Management Service has been instructed, the Property Management Department will administer these payments, provided CGEAL are in funds. See Section B.

7. INCOME TAX

Any profit arising from the letting of a property, whether the Landlord is resident in the UK or not, is assessable for tax in the UK. Where the Landlord is non-resident in the UK, the Inland Revenue operates a "Non-Resident Landlords Scheme", under which CGEAL are required to deduct tax at the basic rate from the net rents received.

Non UK Resident Landlords can apply to the Inland Revenue for an approval certificate which, when supplied to us exempts us from the requirement to deduct tax. If an approval certificate is not obtained we will be required to make tax deductions and pay these over to the Inland Revenue. We strongly recommend that you appoint a specialist tax adviser, as Tax Advice is not part of our service to you.

8. PERIODIC TENANCIES

A Periodic Tenancy is created if a landlord continues to accept rent from a tenant when a tenancy has expired without a new Tenancy Agreement being put in place or a renewal formally documented.

A Periodic Tenancy can only be ended by the landlord serving notice in a prescribed form. A Section 21(4) notice must be served following the expiry of the fixed contractual term of the original tenancy. The notice must be for a period of at least 2 months and must expire on the last day of a rental period. Provided the Court is satisfied that the Section 21(4) notice has been properly served, then it will make an order for possession. It is therefore relevant (for the purposes of service of the s21 notice), to establish when the last day of each rental period is because any s21(4) notice must be served two months before the day before the next rent becomes due.

For a monthly rental payment the period of notice will be just two months; for a quarterly payment period it will be three months with a minimum of two months notice; for an annual payment period it will be one year with a minimum of two months notice and for a three year payment period it will be three years with a minimum of two months notice.

Conversely tenants need only give one month's notice instead of the two months required from Landlords unless the tenancy agreement specifically provides for a longer notice.

For the above reasons we strongly recommend a tenancy is properly renewed with a new Tenancy Agreement or is formally documented rather than allowing the tenancy to continue after the fixed term on a periodic basis.

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9. NOTICES UNDER TENANCY AGREEMENTS DRAWN UP BY OTHERS

Where we have not provided the Tenancy Agreement we will not automatically serve any notices to protect the Landlords right to possession unless we receive timely written instructions to do so. We will not be responsible or in a position to remind Landlords of any requirement to serve appropriate notices.

10. AGREEMENT TO PAY OUR COSTS

You agree to reimburse us for any reasonable sums expended on your behalf and not covered elsewhere in this agreement. You will further reimburse us in respect of any loss incurred by us as a result of any act, omission, or representation made by you, or by someone on your behalf, or in the event that you have provided false or erroneous information.

11. LEGAL COSTS

If it is necessary to instruct solicitors in respect of any matter relating to the Letting or Management of your property, we will require your specific instructions and you will be responsible for paying all the costs involved, unless the Rent Guarantee Scheme has been entered into and subject to the conditions set out in the Rent Guarantee clauses in Section G.

12. LANDLORD & TENANT ACT 1987

We are obliged to include your full name and address on all rent demands. We must provide the Tenant with an address within England and Wales at which Notices (including Notices in proceedings) may be served on you. Unless otherwise instructed, if your address is outside England and Wales, we will use the address of our Lettings Office named in the Tenancy Agreement for this purpose. Although we will use our best endeavours to forward any Notices to you promptly, we cannot accept liability for any loss or damage incurred either directly or indirectly as a result of our actions in this respect.

13. MUTUAL AGREEMENTS

The expiry or termination of this agreement shall be without prejudice to any rights which have already accrued to either of the parties under this agreement. We will not be obliged to make any payments on our own account but only from the rents collected on your behalf and/or monies provided in advance by you.

SECTION J: TAXATION ON NON-RESIDENT LANDLORDS

Non-resident landlords are persons

- who have rental income, and
- whose 'usual place of abode' is outside the UK
- This includes anyone who leaves the UK for more than 6 months even though your local tax office may continue to treat you as a resident in the UK following your departure.

Members of HM Armed Forces and other Crown Servants including Diplomats are treated no differently from any other non-resident landlord. So if they receive UK rental income and have a usual place of abode outside the UK the NRL Scheme applies to them.

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We are required by law to deduct tax on Overseas Landlords unless there is an Approval Notice from Her Majesty's Revenue and Customs ("HMRC") enabling us to remit rents on a gross basis.

In order to prevent us from having to deduct tax we require a copy of the Approval Notices in the name of Chancellors Group. HMRC will only communicate with the named persons on the notices so you will be required to contact them and request that these copies should be sent to us direct, you will need to quote our Agency Ref:

London, Richmond and Surbiton areas – NA 011349

Any other area – NA 011707

Where both parties jointly own a UK property and both reside outside of the UK, the NRL Scheme applies to both parties and each is treated as a separate landlord in their own right. If both parties wish to receive the rental income with no tax deducted they must each complete a separate application form and send it to HMRC.

HMRC have their own website www.hmrc.gov.uk which gives you all the information you require. They also have the NRL1 form for you to download and complete at www.hmrc.gov.uk/cnr/nrl1.pdf.

SECTION K: MONEY LAUNDERING REGULATIONS

The European Parliament Money Laundering Directive and the UK Government's Money Laundering Regulations 2003 are now in force (see our Guide to Money Laundering Regulations). We therefore require evidence of your identity when taking instructions to market your property. It is necessary to provide one of each primary and secondary identification as detailed below with your signed Terms and Conditions. One of these documents must show your address and be less than three months old (e.g. utility bill).

Primary:

- Full Valid Passport or
- Valid HM Forces ID Card or
- Driving Licence (with photo ID).
- Secondary:
- Original utility bill or
- Original council tax bill or
- Original mortgage statement for the year just ended or
- Firearm or shotgun certificate or
- Original current account bank statement or
- Original credit card statement (must be MasterCard, Visa or American Express) with a copy of both sides of the card itself.

Please note that due to Money Laundering Regulations 2003 it is The Chancellors Group of Estate Agents Ltd policy to remit ONLY to bank accounts bearing the name of the Landlord.

However, we acknowledge that there may be rare circumstances where this is not possible. If this is the case our Money Laundering Officer will require a satisfactory explanation to sanction such transfers.

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SECTION L: HOUSES IN MULTIPLE OCCUPATION (HMO'S)

THE HOUSING ACT (2004)

The Housing Act 2004 introduced a number of significant changes to the rented property sector. The main change related to Houses in Multiple Occupations or "HMOs".

Although the Housing Act 2004 laid down the primary legislation the actual regulations were not published until the spring of 2006. We have prepared "Information Sheets" for Landlords and Tenants which are our analysis of the appropriate sections of the Housing Act 2004 and the subsequent regulations published to date. More regulations are expected to be published in the coming months.

WHAT IS A HOUSE IN MULTIPLE OCCUPATION?

A House in Multiple Occupation or HMO is:-

A house or flat which has more than 2 people who form two or more households living in it, (a household is a single person or people of the same family either by blood, marriage, adoption or some other recognised criteria (e.g. fostering) so for example three unrelated occupants are three households

AND

Where the households are sharing basic amenities such as:-

- toilets
- bathroom or washing facilities
- cooking facilities

Even if the individual flat within a property is not an HMO a building in its entirety can be a House in Multiple Occupation or HMO if:-

The building has been converted into self contained flats where the conversion does not conform to the 1991 Building Regulations or of which less than two thirds of the flats are owner occupied. Owner Occupiers are:-

- Freeholders, and their family;
- Lease holders of more than 21 years and their family.

Note that a Purpose Built Blocks of Flats is not an HMO but an individual flat within a purpose built block of flats may be an HMO depending upon the occupants

HMOs DUE TO THE MAKEUP OF THE OCCUPANTS

Where the occupants of a house or a self contained flat in a purpose built block or a self contained flat in a converted building share some basic amenities see the table below:-

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House or flat	No of Storeys	√	HMO's	Licensable HMO's
a) Occupied by 2 unrelated individuals	2 or less		No	No
	3 or more		No	No
b) Occupied by 3 to 4 people who form 2 or more households	2 or less		Yes	No*
	3 or more		Yes	No*
c) Occupied by 5 or more people who form 2 or more households	2 or less		Yes	No*
	3 or more		Yes	Yes
Resident Landlords				
d) Occupied by Resident landlord and family with up to 2 unrelated lodgers	2 or less		No	No*
	3 or more		No	No*
e) Occupied by Resident landlord and family with more than 2 unrelated lodgers	2 or less		Yes	No*
	3 or more		Yes	Yes

*Please note – if the property is located within the area of Oxford City Council, those categories marked with an * are licensable.

WHAT INFORMATION IS REQUIRED TO DETERMINE IF A PROPERTY IS AN HMO?

The information required to establish if a Property is a HMO or a Licensable HMO includes:

House

- How many Households?
- How many Unrelated Occupants?
- How many Residential Storey's including lofts and basements used for residential purposes?
- Is there a Commercial Basement used for residential purposes?

Converted Flat

- When Converted?
- Is it Self Contained
- How many Households?
- How many Unrelated Occupants?
- How many Residential Storey's including lofts and basements used for residential purposes?
- Is there a Commercial Basement used for residential purposes?
- Does the conversion comply with 1991 Building Regulations requirements?

Purpose Built Flat

- When Built?
- Is it Self Contained
- How many Households?
- How many Unrelated Occupants?
- How many Residential Storey's including lofts and basements used for residential purposes?

All Properties

- Is there a Commercial Basement used for residential purposes?

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HMO REQUIREMENTS

The regulations impose the following requirements and standards:-

- Name/contact number of the licence holder to be available to all occupants (where a Licence is required)

Common parts

- Free from obstructions
- In safe condition
- To be in good decorative order
- To have good lighting available at all times

Safety

- Fire Escape Notices to be prominently displayed
- Escape Routes to be:
 - In good condition
 - Free from obstructions
- To be in good working order:
 - Smoke Alarms, if fitted
 - Lighting appliances
 - Space heating appliances
 - Water heating appliances
 - Washing machines and laundry equipment
- To be tested:
 - Fire Extinguishers, if supplied annually
 - Electric fixed installations every five years
- Gas Certificate to always be in place and valid
- Furniture to meet the fire retardant regulations

Washing Facilities

- Per every 5 occupants:
 - Separate toilet with wash hand basin, having splash back
 - Bathroom with bath or shower
- Bathrooms adequately
 - Heated
 - Ventilated
- Bathrooms & toilets
 - Of adequate size & layout and fit for the purpose
 - Suitably located in relation to the living accommodation
 - Constant hot & cold water from fixed taps

Kitchen Facilities

Kitchens have:-

- Sinks with
 - Draining boards

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- Constant hot & cold water
- Worktops suitable for food preparation
- Sufficient Electrical sockets

Fire Precaution Facilities

- Fire precaution facilities provided to be sufficient in type and number for the HMO.

HMO RISK ASSESSMENT

The HMO regulations state that HMO's may be inspected by Local Authorities to determine if the Property meets the required standards by reference to the 29 potential hazards. These grade the hazards in severity of risk but any short fall can result in a hazard awareness notice which if not remedied could lead to an enforcement notice:-

The 29 Potential Hazards

Damp and mould growth
 Excess cold
 Excess heat
 Asbestos (and MMF)
 Biocides
 Carbon monoxide and combustion products
 Lead
 Radiation
 Uncombusted fuel gas
 Volatile organic compounds
 Crowding and space
 Entry by intruders
 Lighting
 Noise
 Domestic hygiene, pests and refuse
 Food safety
 Personal hygiene sanitation and drainage
 Water supply
 Falls associated with baths etc
 Falling on level surfaces etc
 Falling on stairs etc
 Falling between levels
 Electrical hazards
 Fire
 Flames, hot surfaces etc
 Collision and entrapment
 Explosions
 Position and operability of amenities etc
 Structural collapse and falling elements

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POLICY FOR THE MANAGEMENT OF HMOS

New Regulations

The new regulations require any fire alarms and smoke alarms to work and for a fixed wiring test to be carried out at least every five years. This test is in addition to the usual gas safety checks and electricity safety requirements.

Local Authorities are still refining their policies on compliance with the requirements of the act. As soon as these are to hand we shall be in a position to advise you further.

In the mean time we set out our policy for the various types of instructions we have from our Landlord clients.

1. MANAGED PROPERTIES

We shall arrange a fixed wiring test at the next gas safety inspection unless our client instructs us not to. If there is no gas supply to the property then the wiring test will be instructed in the next 6 months.

If we are requested not to make the test we shall ask for a copy of the test certificate from the test carried out by others on the client's behalf.

If a copy of the test certificate cannot be supplied we shall refer to the Local Authority for their policy on the matter. We will share the Local Authorities decision with the client whose compliance with any recommendations from the Local Authority will allow us to continue to manage the Property.

2. NON-MANAGED LETS AND TENANT FINDS

We shall send out our policy document to provide advice as to Best Practice and request a copy of the fixed wiring test certificate in line with the Local Authorities policy.

A valid fixed wiring test certificate will be required before we can renew a Tenancy or re-let a Property where a Landlord has not made provision to obtain one after having being requested to do so.

We will be pleased to arrange for an inspection to take place to provide a Fixed Wiring Test certificate subject to an administration charge of £60 inc. VAT.

Fees

In all cases lettings fees will be payable until a Tenant we introduced vacates.

Local Authority Recommendations

All Landlords will be reasonably expected to undertake any reasonable recommendations from their Local Authority as to the Local Authorities interpretation of the regulations. We will be unable to manage property where the Landlord unreasonably declines to action recommendations. We reserve the right to exercise our duty of care to Tenants by informing them of this where in our sole view the Landlord unreasonably declines to action any Local Authorities recommendation.

We can also refer clients to surveyors who are able to advise in this specialist area.

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MANDATORY LICENSING

HMOs will be subject to Local Authority Mandatory Licensing if:-

- the Property has 3 or more residential or commercial storeys,

AND

- has 5 or more unrelated occupants

Note: - lofts, basements and mezzanine floors count as storeys, but a basement solely used for commercial purposes does not.

Landlords of other HMOs do not need to inform the Local Authority or apply for a Licence BUT Landlords of any HMOs must ensure they meet the required standards.

What does Mandatory Licensing involve?

Local Authorities may inspect qualifying HMO Properties to check that:-

- the Property is suitable for the number of people the Landlord declares to be living there, or
- the Property is suitable for a maximum number of occupants set by the LHA,
- the proposed management arrangements for the HMO are satisfactory
- the licence holder is a fit and proper person, who has not committed an offence involving fraud, dishonesty, violence, drugs, or broken the Sexual Offences Act, or practiced sex, race or disability discrimination, or has broken Landlord and Tenant law or has broken any Management of HMO's Code of Practice.

How long does a licence last?

If the inspection is ok:-

- a licence will last five years
- it is not transferable
- it could contain conditions

Is there a timescale to obtain a licence by?

- Landlords of licensable HMOs must apply for a licence within 3 months of 06 April 2006

Are there penalties for not having a licence?

Failure to obtain a licence will upon conviction attract a fine up to a maximum of £20,000.

What should Landlords do?

Landlords must register their HMO with the Local Authority and anyone with doubts about the status of a property must seek advice from:-

- the Local Housing Authority in which the Property falls.

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- the internet at www.propertylicense.gov.uk

or with the Chancellors specialist HMO team

We are happy to offer the services of our refurbishment department once a schedule of works required is determined.

1. TENANCY RENEWALS

Chancellors will require a copy of the licence application to be able to manage a Property.

2. NEW TENANCIES

As a duty of care to the Tenants, we are unable to offer Tenancies to applicants if a Licence has not been applied for before Tenancy Agreements are exchanged.

We will strongly recommend to our clients that a Property is updated to meet licence requirements and a licence applied for prior to marketing the Property. A side benefit to this is that our staff will then be able to recommend a rental which will reflect the condition of the let and the fact that the licence is in place.

Local Authority Recommendations

All Landlords will be reasonably expected to undertake any reasonable recommendations from their Local Authority as to the Local Authorities interpretation of the regulations. We will be unable to manage Property where the Landlord unreasonably declines to action recommendations. We reserve the right to exercise our duty of care to Tenants by informing them of this where in our sole view the Landlord unreasonably declines to action any Local Authorities recommendation.

FIXED WIRING TESTS FOR HOUSES IN MULTIPLE OCCUPATION

A Fixed Wiring Test has to be conducted at least every five years for all Properties classified under the Housing Act 2004 as being Houses in Multiple Occupation.

WHAT IS A FIXED WIRING TEST?

A test carried out by a qualified electrical engineer to the standards laid down by the "Requirements for Electrical Installations" BS 7671.

The Fixed Wiring Test is in addition to the normal electrical safety requirements and the gas safety check.

HOW IS THE TEST ORGANISED?

Chancellors will arrange with the Contractor, Gas-elec, for the Fixed Wiring Test to be done for all Managed Properties. For Non-Managed Properties there will be an administration charge of £90 inclusive of Vat.

The Electrical Contractor (Gas-elec) will conduct a Fixed Wiring Test as per the agreed pricing structure (See table 2 attached).

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WHAT IS AN ELECTRICAL INSPECTION?

The engineer will conduct a two stage inspection of the electrical installation, a Visual Inspection, followed by Technical Testing.

The Electrical Contractor (Gas-elec) will:-

- verify the age of the electrical installation
- check whether there have been any alterations to the electrical installation
- review the extent of the electrical installation
- identify any limitations to the inspection such as no access areas, or appliances which cannot be switched off.

The Visual Inspection

The engineer will enter every room and check for:-

- Broken/damaged accessories
- Signs of scorching/overheating
- Lack of bonding conductors
- Other obvious defects

Findings are recorded on an observations sheet, which will grade any defects found:-

- Grade 1:- Very serious, posing immediate danger. Requires immediate attention. A warning notice will be fixed to the failed areas.
- Grade 2:- Quite serious. If there were several Grade 2's would become dangerous and so Grade 1. Requires improvement.
- Grade 3:- Item could not be examined because of access limitations. Requires further investigation
- Grade 4:- An item which is not dangerous but does not comply with BS7671

The Technical Inspection will:-

- Establish the earthing system in the Property
- Carry out an external earth fault loop to check that the earth path is sufficiently low to cause automatic disconnection.
- Check the prospective fault current to ensure that fuses etc are designed to cope with the level of current without causing damage.
- Record the type and size of fuses
- Record the type and size of the main earthing conductor
- Record the type and size of equipotential bonding conductors. (any absent will be recorded on the observations sheet).
- Record the characteristics of the main switch or circuit breaker
- Record the circuit information at the consumer unit and to record for each circuit:-
 - Equipment fed by the circuit
 - Cable size, including live cable
 - Disconnection time required
 - Type of fuse or MCB

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- RCD rating, if applicable
- Test each circuit to establish values for:-
- Circuit impedance for ring final circuits
- The sum of impedance for live conductor and earth
- The insulation resistance between separate conductors
- The maximum measured earth loop impedance

Pass or Fail?

The Engineer will provide a certificate which will state whether the installation has passed or failed.

The installation will fail if there are any Grade 1 faults, or if there are substantial other faults.

The installation will pass if there are no Grade 1 faults and few other faults. The Engineer will issue a Pass Certificate.

If the installation has failed the Contractor will:-

- provide a simple document stating the failure areas and affix a warning notice to the failed areas.
- provide a quotation for the works needed to rectify the failure areas.
- advise the Thameside Safety Unit of the situation, by phone.

Remedial Works Policy when a Property fails the Fixed Wiring Test.

The Engineer will provide a sheet detailing any faults and a quotation for rectifying these. The Chancellors Group of Estate Agents Ltd, Property Management Department (Safety Unit) will provide the Landlord with a copy of the test certificate, a list of fail defects, if any, and the quotation for rectification works.

If the repair will cost less than £60 including Vat, the Thameside Safety Unit will:-

- Check the Landlord's instructions re works,
- Check that there are sufficient funds to meet the costs,
- If both ok, authorise the repair to be carried out immediately, without reference to the Landlord.
- If funds are not available we will provide a quotation and the next section applies.

If the repair will cost between £60 and £1000 including Vat, the Thameside Safety Unit will:-

- Check the Landlord's instructions re works
- Advise the Landlord of the Gas-elec quotation by e-mail,
- Take Landlord's instructions whether to proceed with the repair works as per the quotation
- If the quotation is accepted, arrange for the Landlord to put us in funds to enable the works to be carried out.
- When funds arrive we will instruct Gas-elec to do the repair
- If the Landlord requires a second estimate for the repairs, request the technical test data from gas-elec and e-mail it to the Landlord. Advise him of the legal requirement and await his instructions.

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- Follow up within fourteen days if no instructions received from the Landlord

If the repair will cost more than £1000 inc. Vat, the Thameside Unit will:-

- Check the Landlord's instructions re works,
- Advise the Landlord of the Gas-elec Quotation by e-mail,
- Provide, if CGEAL is managing the property, a second quotation from a competent contractor.
- Provide the technical data retained by Gas-elec to enable the Landlord to obtain other quotations
- Take the Landlord's instructions whether to proceed with the repair works as per the Gas-elec quotation or whether a second quotation is being sought.
- If the Landlord accepts the Gas-elec quotation, arrange for the Landlord to put us in funds for the works to be carried out
- When funds arrive we will instruct Gas-elec or our selected contractor to do the repair
- If the Landlord wants to accept another contractor's estimate for the repairs. Advise him of the legal requirement and await his instructions.
- Follow up within fourteen days if no instructions received from the Landlord

Note 1. Gas-elec will only carry out repairs upon receipt of an Order from the Thameside Safety Unit.

Note 2. When Remedial works are completed Gas-elec will provide a Fixed Wiring Pass certificate.

Note 3. For clients who do not pay for our Property Management service additional administrative charges will apply for the instruction of remedial works.

Reports following Inspection

The Engineer will retain the data collected, including the test results. This will act as a good record of the installation and will be provided to anyone who wants to carry out electrical work at the property. It will also allow a qualified electrician to make an informed judgment as to how efficient or how safe it would be to carry out any works

Safety Test Pricing Structure

	1/PI (FWT)	2/G2	3/E2 (PAT)	4/GE2	5/GB2	6/PSPP	Other
Standard		£88.56	£88.46	£135.31	£135.31	£182.04	BS - £100.86
Rate							BSC - £100.86 +
1 bed	£129.80	£218.36	£218.36	£265.11	£265.11	£311.84	
2 bed	£129.80	£218.36	£218.36	£265.11	£265.11	£311.84	
3 bed	£172.73	£261.29	£261.29	£308.04	£308.04	£354.77	
4 bed	£191.57	£280.13	£280.13	£326.88	£326.88	£373.61	
5 bed	£220.87	£309.43	£309.43	£356.18	£356.18	£402.91	

Notes: All prices include VAT

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1/ FWT	Fixed Wiring test. Certificate and Defects Report plus quotation for any remedial works.
2/G1	Landlords Gas Safety Inspection of up to 3 appliances. Additional appliances charged at £12.92 inclusive of VAT each
3/E1	Portable Appliance Test includes up to 6 appliances Additional Appliances charged at £3.53 inclusive of VAT each
4/ GE1	Combined Gas and Electrical Safety Inspection. (Refer to both (2) and (3))
5/ GB1	Landlords Gas Safety Inspection of up to 3 appliances including a full boiler service
6/ PSPP	Property Services Protection Plan. Combined Gas/Electrical Safety inspection and a full boiler service
7/ BS	Boiler Service
8/ BSC	Condensing Boiler Service

FWT for properties of 6 bedrooms and over are subject to quotation.

FWT for properties with outbuildings such as barns, workshops, sheds, swimming pools etc are subject to quotation.

SECTION M: LANDLORD GUIDE TO LOCAL HOUSING ALLOWANCE

Local Housing Allowance (LHA) was introduced by the Government in April 2008 and changes the new way housing benefit is calculated and paid to housing benefit tenants renting accommodation from private landlords. The level of LHA is based on:

- Median rental rent charged by landlords in the private sector for properties of that size within a 'Broad Market Rental Area'
- Size of the tenant's house i.e. the number of bedrooms

Housing benefit is a means tested benefit and the level can be reduced depending on other income and savings.

PAYMENT OF LHA

A signed tenancy agreement is needed before any claim will be processed and paid. The time taken to process an application varies across Local Authorities.

The stated aim is that in the majority of cases, benefit will be paid to the claimant who then makes their own payments to the Landlord, unless there is evidence that the customer would be unlikely to pay their rent. A number of Local Authorities choose, however, to pay the rent direct to the Landlord.

LHA is paid on a 2/4 weekly basis. The tenant is then responsible for paying the Landlord/ Chancellors on a monthly basis via standing order.

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The rate of LHA that customers receive is reviewed on an annual basis or if there is a change in circumstances. A mid year change in contractual rent does not affect the level of LHA. Tenants can keep up to £15 of their LHA payment if they can find accommodation cheaper than their LA rate.

LHA rates are republished by the appropriate Local Authority each month.

RENT ARREARS

If 8 weeks rent arrears have built up, the Authorities will arrange to make payments direct to the Landlord unless it is not in the claimant overriding interests to do so. The Department of Work and Pensions (DWP) advise that Landlords should contact their Local Authority as soon as they are aware of an arrears situation.

The Landlord will be paid whatever is paid to the tenant. In some cases this will not be the full rent and the difference would need to be collected from the tenant.

RECOVERY OF OVERPAYMENTS

The rules on recovery of overpayments are:

- Benefit overpaid to a Landlord can be recovered from either the Landlord or the customer, as the local authority chooses: and
- Benefit overpaid to a customer can only be recovered from the customer

If there is an arrears situation, the Accounts Team in Chancellors will send out to both the tenant and the Landlord arrears letters in line with our normal policy i.e. 7, 14 and 21 days after payment is due.

PRIVATE RENT ASSISTED SCHEMES

Many Local Authorities have rent assisted schemes which apply to individuals that they categorise as 'homeless' and are considered suitable for private rented accommodation.

As part of the Offer process, the Landlord will be advised of any support the Local Authority will provide to that individual and whether they have a guarantor.

SECTION N: POLICY PLANNING & BUILDING REGULATIONS

PROPERTIES WITH LOFT CONVERSIONS

1. MARKET APPRAISAL

If when on a Market Appraisal we find that the property contains a Loft Conversion the following information must be requested:-

- When was the conversion done?
- Was Planning Permission received?
- Did the conversion comply with Building Regulations?
- Can the Landlord provide proof that the conversion complies with regulations?

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2. INSTRUCTION

- CGEAL will not accept an instruction to Let a property where the Loft Conversion has not received Planning Permission and/or the works did not pass Building Regulations in force at the time of the conversion
- CGEAL will not accept an instruction to Manage a property where the Loft Conversion has not received Planning Permission and/or the works did not pass Building Regulations.

3. MARKETING

- CGEAL will not market a property to Let until we have received proof that a Loft was converted with Planning & Building Regulations approval.
- Evidence that the works were correctly carried out must be placed on file.

4. HMO'S

- CGEAL will not accept an instruction to Let, or manage a House in Multiple Occupation which has a Loft Conversion which does not conform to the 1991 Building Regulations.

Any deviation from this procedure must obtain the Operation Director's written consent.

SECTION O: ENERGY PERFORMANCE CERTIFICATES (EPC'S)

Legislation has introduced an obligation on persons letting certain types of residential property to provide an EPC to the Tenant of the property prior to the exchange of contracts for the rental of the property.

If, in our opinion, your property requires an EPC we will inform you of this and we will instruct our EPC Provider to contact you to take payment for and produce an EPC. You will be responsible for the EPC Charge which is not part of our letting and/or management commission. Please advise us if you consider your property to be exempt.

If you do not want our EPC provider to prepare an EPC for your property you must provide us, at the time of signing this agreement, with an EPC that conforms with the Legislation.

We reserve the right to vary our terms in relation to the provision of EPC's in the event that our EPC Provider requests reasonable amendments.

We, or our supplier, may request information from you in order to prepare the EPC. You agree to provide this information promptly and you warrant that this information is accurate to the best of your knowledge and belief.

Where a EPC is supplied by our EPC provider we do not make or give any representations, warranties or other promises in relation to its accuracy or otherwise.

In order to prepare the EPC our EPC Provider will require access to the Property. You agree to provide our EPC Provider or a representative of it safe access to the Property on reasonable notice.

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EPC CHARGE

This is a charge for the collation of the “Required” contents of the EPC. This is payable to our EPC provider upon signing of this agreement.

LEGISLATION

This term includes any legislation relating to EPC’s including without limitation the Housing Act 2004, Home Information Packs (No 2) Regulations 2007, Home Information Packs (No 2) Redress Regulations 2007 all as amended from time to time.

EPC OWNERSHIP

Transfer of ownership of the EPC, or any of its contents will not pass to you until the EPC Charge has been paid in full. Any transfer of ownership is subject to the intellectual property rights of the EPC Provider. This means any supplier that we instruct in connection with the preparation of an EPC.

ACCESS TO THE EPC

We have an obligation to, and we will, provide a copy of the EPC to any prospective tenant unless we have reasonable grounds to suspect that the person making the request is unlikely to have sufficient means to rent the Property; or

- is not genuinely interested in renting a property of a general description which applies to the property;

or

- is not a person to whom you are likely to be prepared to rent the property. In this respect please inform us in writing of any persons who you are not willing to rent the property to.

TIME SCALES

It is important that we work closely with you, the EPC Provider and their Domestic Energy Assessor to collate the contents of the EPC efficiently so that the property can be marketed in a manner that complies with the EPC Legislation. To this end we have agreed service standards with our suppliers and would ask for your full cooperation to provide both information and access for the EPC inspection. We accept no responsibility for delays beyond our direct control.

SECTION P: OTHER SERVICES

1. MORTGAGES, FINANCE AND INSURANCE

We have arrangements with a number of companies who specialise in these areas and can arrange for them to speak with you on any of the above areas.

WARNING: YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

2. SALES

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All our Lettings Offices have a Residential Sales Department. Sales negotiators are highly trained and have extensive local knowledge of property and markets.

We can give advice on Buy to Let property and help you to locate the right property for maximum rent income and capital growth.

We have a closely linked computerised network of offices throughout Southern England and Mid Wales. Emailing and mobile phone text facilities that ensure newly instructed property is made available to as many buyers as possible.

Every instruction is placed on our dedicated Internet web site and international buyers can and do contact us daily. We include Floor Plans and professional photography to enhance the marketability of your Property.

3. SURVEYORS AND VALUERS

We can arrange for independent expert surveyors to provide a service covering all residential property situations, including Private Valuations, Homebuyers Survey and Valuation Reports, Building Surveys, Probate, Insurance, Matrimonial Valuations and Rental Valuations.

4. CONVEYANCING

By organising the legal professionals who will work for you our aim is to make the complicated process of buying and selling smooth and simple for you. This service operates on a “no move, no legal fee” arrangement – so it’s in everyone’s interest that your transaction is a success.

SECTION Q: INTERPRETATIONS AND DEFINITIONS

Any dispute arising from this document, our Tenancy Agreements, or other lettings documentation is governed by and subject to only the laws of England and Wales.

In this, and all our lettings documents, the following meanings apply:

“Agent” one who acts for another and works in that person’s best interest.

“Arranging” means making provision for a service or works, with the total cost of the resulting invoice(s) being met by the Landlord, or Tenant as appropriate.

“Associated Party” means any individual, company, firm, other institution or body, whether incorporated or unincorporated, which is directly or indirectly connected with the Tenant, whether such connection be by blood, friendship, acquisition, marriage, membership, employment, ownership, or who by any means could be said to be associated with the Tenant.

“Building Regulations” govern the erection and alteration of buildings.

“CGEAL” is The Chancellors Group of Estate Agents Ltd incorporating Anscombe & Ringland; Chancellors; and Russell, Baldwin & Bright.

“Client’s Accounts” is a separate bank account into which monies not belonging to the Agent are deposited and held on trust for the benefit of the Client be they a Landlord or Tenant.

“Contracts” are binding written documents between parties, which when signed; legally commit all parties to the agreed terms.

“Day” means a working day exclusive of Bank Holidays and Weekends.

“Deposit” The Deposit is a sum of money paid by the Tenant and held against any damages, or dilapidations to the property caused by the Tenant, or for rent arrears or other breaches of the Tenancy Agreement by the Tenant. The Tenant will pay a deposit at the commencement of the initial term. We will hold the deposit as stakeholders pending the satisfactory termination of the Tenancy. Upon such

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termination if the Landlord and Tenant agree what sums, if any are to be deducted from the deposit for dilapidations, damage and unpaid rent, we will arrange for the payment of sums to the Landlord and return the balance to the Tenant in accordance with our Deposit Disbursal Procedures.

“Event Driven” An Event Driven Contract obliges the Landlord and Agent to observe the agreed terms when the “Event” occurs.

“Guarantor” A Guarantor is someone who guarantees all the obligations of another person. A Tenant’s Guarantor, is liable for all the Tenant’s obligations under the Tenancy Agreement

“Gross Rent” The total of all rent payable by the Tenant under any Tenancy Agreement for the duration of the entire term of the agreement. For the avoidance of doubt this includes any renewed, extended or periodic tenancies.

“ICE” The Independent Case Examiner of the Dispute Service.

“Landlord” includes the persons for the time being entitled to receive the Rent and entitled to vacant possession of the Property at the end of the Tenancy. It is agreed that where the Landlord is comprised of two or more persons any agreements expressed to be made shall be deemed to be made jointly and individually.

“Monies Held” Rent and other monies held by us on behalf of the Landlord. We do not pay interest on clients’ monies held.

“Mortgagee” The Mortgagee is the institution which grants the loan to purchase a property. A Landlord must always seek the Mortgagee’s permission when letting a property which has a mortgage on it.

“Offer” An offer is the price and attendant conditions made by a prospective Tenant who wants to rent a property.

“Orders” When CGEAL are asked to arrange for Contractors to attend a property to undertake Safety Tests or conduct repairs there will be an Arrangement charge for each and every order placed.

“Power of Attorney” This is a document which grants power to a person to act in the name of another person and must be drawn up by a solicitor. CGEAL will always require sight of the document from anybody claiming to act under power of attorney.

“Received” is defined as monies that have been allocated.

“Set Up Charge” When we are requested to provide Property Management for a property which we are not Letting, the Set Up Charge covers the various tasks required to create the necessary records.

“Signatories” Contracts must be signed by ALL the parties to the contract.

“Stakeholder” The term stakeholder, in law is a third party who temporarily holds money while its owner is still being determined.

“TDS” The Tenancy Deposit Scheme provides protection for Tenant’s deposits and provides a free service for the case to be dealt with fairly and independently in the event of a dispute as to the disbursal of the deposit monies at tenancy end.

“Tenant” includes a subsequent Tenant under any subsequent Tenancy Agreement. It is agreed that where the Tenant is comprised of two or more persons, any agreements expressed to be made, shall be deemed to be made jointly and individually.