

COMMERCIAL LETTING AGREEMENT AND CONDITIONS  
(MANAGEMENT ONLY SERVICE)

These Terms and Conditions apply to the appointment of an Agent to manage a tenanted commercial property on behalf of the Owner's contract with the Agent. The Agent must read these Terms and Conditions carefully before signing the Appointment Form.

The Agent (>> ("**Agent**") is appointed to manage the Property. These Conditions form the basis of the contract between the Owner and the Agent. The Agent must read them carefully before signing the Appointment Form.

1. Definitions

"Agency Period"

Starting on the date this contract is signed and ending when this contract is terminated.

"Appointment Form"

The form to be completed and signed by the Owner in order to appoint the Agent as the sole Agent for the Property.

"Commission"

[means << >>% of the Rent due on the Property during the Agency Period];

"Lease"

A written agreement to occupy entered into in connection with the Property between the Owner and a Tenant.

"Owner"

The person or company who owns the Property;

"Property"

The property identified in the Appointment Form.

"Rent"

The monthly rent payable under a Lease;

"Rent Deposit"

A sum of money received from a Tenant in respect of the Tenant's obligations in the Agency Period.

"Tenant"

A person or company who is a licensee of the Property.

1.1 Any reference in these Conditions to any expression, including "writing", or cognate expressions, including telex, cable, facsimile, electronic communication effected by e-mail, or any other means.

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1.2 Any reference in these Conditions to any statute or provision of a statute shall be construed as a reference to that statute or provision as amended, re-enacted or otherwise in force at the relevant time.

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1.3 The headings in this Agreement are for convenience only and shall not affect its interpretation.

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2. Appointment of Agent

2.1 The Owner appoints the Agent to manage the Property by carrying out the duties of the Agent as set out in these Conditions.

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- 2.2 Unless otherwise stated in the Form, the Owner shall not during the Agency Period act on as the Owner's agent for the purposes mentioned in the Form.

### 3. The Agent's Duties

- 3.1 If the Owner so requires, the Agent possessing the necessary information (such as the names of service providers and the relevant account numbers) the Agent shall liaise with the Local Authority Business Rates department and any other service providers of the Tenant to ensure that the Tenant's identity of the Tenant is correctly recorded.
- 3.2 Subject to the Agent's duties, by way of a float provided by the Owner or through the Tenant, the Agent shall pay outgoings relating to the Property as follows:
- 3.2.1 the Agent shall pay outgoings which fall to be paid by the Tenant in respect of the Property (such as Business Rates, utilities bills and telephone and broadband) but the Agent shall not be responsible for as they relate to a period when the Property was not occupied by the Tenant;
- 3.2.2 the Agent shall pay any service charge and other sums due to the Landlord's managing agent or any other person in respect of the Property;
- 3.2.3 the Agent shall arrange for premiums for insurance of the Property (but not for the Owner);
- 3.2.4 the Agent shall not pay any invoice or demand unless it has received an invoice or demand from the Landlord's managing agent or any other person in respect of the Property;
- 3.2.5 the Agent shall not pay any invoice or demand that appears to be for the Tenant's personal use;
- 3.2.6 the Owner may require the Agent to make some or all of the types of payment mentioned in 3.2.1 to 3.2.5 to the necessary documentation being completed by the Tenant, the Agent shall hold any Rent Deposit as stakeholder in accordance with the terms of his appointment.
- 3.3 If so required by the Tenant, the Agent shall hold any Rent Deposit as stakeholder in accordance with the terms of his appointment.
- 3.4 The Agent shall only demand and receive Rent and other sums due from the Tenant in accordance with the terms of the Lease.
- 3.5 If a service charge is payable by the Tenant, the Agent shall:
- 3.5.1 prepare an annual service charge budget by the Owner;
- 3.5.2 issue the estimated service charge budget (once approved) to the Tenant at the start of the service charge year and the Tenant shall submit a payment schedule;
- 3.5.3 issue invoices for service charges to the Tenant;
- 3.5.4 issue a service charge statement to the Tenant at the end of each year by [the Agent];



- 3.5.5 maintain appropriate accounts and ensure that the service charges are reconciled at the end of each service charge year;
- 3.5.6 in the event that the service charges are found to be incorrectly calculated, the Agent shall inform the Owner and the charges shall be adjusted without any penalty;
- 3.5.7 ensure that the accounts (including reserve and sinking funds) are kept in one or more (or virtual) bank accounts.
- 3.6 If Rent or any other sums due to the Owner are not paid within 10 working days after falling due, the Agent shall notify the Owner by written notice and attempt to obtain payment by making telephone calls, visiting the premises and sending up to three arrears letters.
- 3.7 The Agent shall inspect the Property every six months and shall report its findings to the Owner.
- 3.8 The Agent shall, if requested by the Owner, and at the Owner's cost, conduct more frequent inspections of the Property and shall report its findings to the Owner.
- 3.9 The Agent shall advise the Owner of any breaches of the terms of the Lease and any items requiring repair or replacement that come to the Agent's attention.
- 3.10 The Agent shall advise the Owner of any issues raised by the Tenant or by other parties relating to the Property.
- 3.11 The Agent shall be responsible for the day-to-day management of the Property, including maintenance and replacements, on the following basis:
- 3.11.1 the cost of all maintenance and replacements shall be borne by the Owner;
- 3.11.2 if the cost of any maintenance or replacement on any occasion is less than £<<insert amount, e.g. 250>> the Agent shall arrange for the work to be done without the need for the Owner's permission;
- 3.11.3 if the cost of any maintenance or replacement on any occasion is £<<insert amount, e.g. 250>> or more, the Agent shall contact the Owner to obtain permission to proceed with the work;
- 3.11.4 if the work needs to be carried out urgently and it is not practicable to obtain the Owner's permission, the Agent may arrange for the work to be done without the prior permission of the Owner;
- 3.11.5 the Agent shall be responsible for arranging major repairs or replacements costing in excess of £<<insert amount, e.g. 250>>.
- 3.12 The Agent shall keep accurate accounts of all financial transactions relating to the Property and shall, at the reasonable request of the Owner, permit the Owner or its authorised representatives to inspect all such records and accounts and to take copies thereof at all reasonable times (but not exceeding 4 hours).
- 3.13 The Agent shall within 10 working days after the end of each month during the Agency Period and thereafter send to the Owner a statement setting out the sums received and paid in respect of the Property:
- 3.13.1 all Rent and service charges received from the Tenant;



- 3.13.2 all expenses
- 3.13.3 the Commis
- 3.13.4 the amount l at
- for that month.
- 3.14 Having sent the sta Agent shall retain:
- 3.14.1 the Commis
- 3.14.2 such amount to top the float up to £<<insert  
amount, e.g.  
and remit the balan < >> days.
- 3.15 If there are insuffici nmission or to top up the float the  
Agent shall notify th ired from the Owner.
- 3.16 The Agent shall n ff available to the Owner at all  
reasonable times at ce for the purposes of consultation  
and advice relating
- 3.17 The Agent shall no changes to laws and regulations  
relating to the use mercial lettings and shall forthwith  
notify the Owner if a breach of any of those laws or  
regulations in relatio
- 3.18 The Agent shall ob rce during the Agency Period all  
licences, permits a e necessary or advisable for the  
performance of its o and Conditions.
- 3.19 The Agent shall ad diligence and in accordance with  
sound commercial p
- 3.20 The Agent shall ens any rules or regulations imposed  
by any professional de association of which the Agent  
is a member.
- 3.21 Subject as provide Conditions and to any directions  
which the Owner r properly give, the Agent shall be  
entitled to perform e Terms and Conditions in such  
manner as it may th

#### 4. **The Owner's Commitmen**

- 4.1 The Owner confirms (s) of the Property and are entitled  
to grant a Lease of or the Owner confirms that:
- 4.1.1 any consent der or superior landlord under the  
terms of the
- 4.1.2 any consent 's mortgagee; and
- 4.1.3 any consent 's insurers
- has been obtained e for the duration of the Agency  
Period.
- 4.2 The Owner shall p set of keys to the Property and  
confirms that the Ag pies of the keys as necessary.



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4.3 The Owner shall pay the Agent in accordance with these Terms and Conditions:

4.3.1 the Commission

4.3.2 any other costs incurred by the Agent in connection with the Appointment Form or otherwise agreed between the Agent and the Owner.

4.4 If in any month the Commission and the other costs payable to the Agent are insufficient to pay the Commission the Owner shall pay the balance to the Agent on demand.

4.5 At the commencement of the Agency Period the Owner shall provide the Agent with a float of £<<insert appropriate sum>> to meet expenditure on behalf of the Owner.

4.6 When requested by the Agent the Owner shall add further sums of money to the float so that it remains at least £<<insert appropriate sum>> (e.g. 500>>).

4.7 The Owner shall pay the Commission when that is overdue by <<insert grace period e.g. 7>> days at a rate of interest of << e.g. 2>> per cent above the base lending rate of the Bank of England from the due date until the date of payment.

4.8 The Owner shall remain a UK resident and understand that the Agent may be required to deal with Rent in accordance with the Rent Repayment Orders Scheme operated by HM Revenue & Customs.

4.9 Subject to compliance with the obligations under these Terms and Conditions, the Owner shall indemnify the Agent against any liability (including legal costs) which the Agent may reasonably incur in defending a claim against it may incur by reason only of its obligations under these Terms and Conditions.

## 5. Duration and Termination

5.1 The contract between the Agent and the Owner shall come into force on the date specified in the Appointment Form and shall continue until terminated, subject to the following provisions.

5.2 Either party may terminate the Agency Period by giving to the other not less than <<insert notice period>> written notice, to expire at or any time after the end of the "Notice Period" of the Agency Period.

5.3 Upon the termination of the Agency Period between the Agent and the Owner:

5.3.1 the Agent shall return the Property;

5.3.2 the Commission shall be payable;

5.3.3 the Agent shall not be liable to compensate the Owner for compensation for loss of agency or any similar loss (except unpaid Commission).

5.4 The rights to terminate the Agency Period by this clause 5 shall not prejudice any other right or remedy available to either party in respect of the breach concerned (if any) or any other breach of these Terms and Conditions.

5.5 If at any time controlled by or for the benefit of any person or group of connected persons (as defined in section 840 of the Income and Corporation Taxes Act 1988) of the Agent (the "Connected Persons") not having control of the Agent shall forthwith give written notice to the other party of the names of the Connected Persons.

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to the Owner identify the person or persons who are connected with the Owner shall be entitled to terminate the contract with the Agent within 14 days of the date of the notice from the Agent was given, to

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## 6. Complaints [and Redress]

6.1 A copy of the Agent's complaints procedure may be obtained on request.

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6.2 [If the Agent's complaints procedure has been exhausted and the Owner is not satisfied with the redress scheme, the Owner may seek redress through the redress scheme managed by a member. Please note that the redress scheme may not cover complaints from certain types of customer.

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6.3 The name of the [Ombudsman Service] is [The Property Ombudsman] [Property Redress Scheme].]

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## 7. Nature of Agreement

7.1 The contract between the parties is personal to the parties and neither party may assign, charge (otherwise than by floating charge) or sub-licence the contract or delegate any of its obligations under the contract without the written consent of the other party.

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7.2 These Terms and Conditions constitute the entire agreement between the parties and may not be modified or varied in any way by any authorised representative of either party.

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7.3 Each party acknowledges that it enters into the contract, it does not rely on any representation, warranty or other statement made by the other party in these Terms and Conditions and all conditions, warranties or other statements made by the other party or common law are excluded to the fullest extent permitted by law.

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7.4 No failure or delay in performance of the contract shall be deemed to be a breach of the contract or a waiver of any subsequent breach of the contract or any other provision.

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7.5 If any provision of these Terms and Conditions is held by any court or other competent authority to be unenforceable in whole or in part, these Terms and Conditions shall remain valid as to the other provisions and the remainder of the contract shall remain enforceable.

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## 8. Notices and Service

8.1 Any notice or other communication authorised by these Terms and Conditions to be given to the Agent or the Owner shall be given by:

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8.1.1 delivering it to the Agent or the Owner in person;

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8.1.2 sending it by first class post; or

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8.1.3 sending it by any other means of communication

by any other means of communication or by any other similar transmission or comparable

to the other party at the address given in clause 8.4.

use 8.4.

8.2 Any notice or information which is not returned to the sender shall be deemed to have been given on the date of posting and proof that the notice or information was properly addressed and that it has not been so returned to the sender shall be sufficient evidence that the notice or information has been given.

in the manner provided by clause 8.1.2. A notice or information delivered shall be deemed to have been given on the date of posting if the envelope containing it was so posted; and proof that such notice or information was properly addressed and posted, and that it has not been so returned to the sender shall be sufficient evidence that the notice or information has been given.

8.3 Any notice or information given by any other means of communication comparable to those mentioned in clause 8.1.2 shall be deemed to have been given on the date of posting as provided in clause 8.2, provided that a confirming copy of it is sent to the other party at the address given in clause 8.4 within 24 hours of the date of posting.

by any other means of communication, such as telex, cable, facsimile transmission or electronic mail, shall be deemed to have been duly given on the date of posting if that a confirming copy of it is sent to the other party at the address given in clause 8.4 within 24 hours of the date of posting.

8.4 Service of any document concerning or arising out of the contract or causing it to be delivered or to such other address as may be notified from time to time.

for the purposes of any legal proceedings shall be effected by either party by delivery to the other party at its registered or principal office, or to such other address as may be notified to it by the other party in writing.

## 9. VAT

All sums payable under these Terms and Conditions shall be added to the sum in question if value added tax or other applicable tax or otherwise included in any invoice or bill.

These Terms and Conditions are exclusive of any value added tax or other applicable tax or otherwise included in any invoice or bill.

## 10. Relationship of the Parties

Nothing in these Terms and Conditions shall create, or be deemed to create, a partnership or the relationship of a principal and agent between the Owner and the Agent.

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## 11. Jurisdiction

These Terms and Conditions shall be governed by and construed in all respects in accordance with the laws of the United Kingdom and each party hereby submits to the non-exclusive jurisdiction of the English courts.

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