STANDARD AGENCY TERMS & CONDITION FOR COMMERCIAL PROPERTY

In accordance with the provisions of the Estate Agents Act 1979 and Regulations made under it, we wish to advise you of our Terms of Engagement for the disposal of the property or properties as referred to in the attached letter.

In these Terms of Engagement the following definitions apply: "Sale" includes the disposal of a freehold or long leasehold interest. "Letting" includes the grant of a sub-lease. "Purchaser" includes an assignee or superior landlord. "Tenant" includes any sub-tenant. "We/Us" means Ho2 Plc

1. The property will be disposed of on a Sole Agency basis. For the purpose of these Terms of Engagement Sole Agency means: -

   You will be liable to pay remuneration to us, in addition to any other costs or charges agreed, if at any time contracts (conditional or unconditional) for the sale/letting of the property as a whole or in part are exchanged – (i) with a purchaser/tenant introduced during the period of our Sole Agency; irrespective of who made the introduction or (ii) with a purchaser/tenant with whom we had negotiations about the property during that period – or if at any time the sale/letting of the property to any such purchaser/tenant is completed, or they take legal occupation of the property, whichever first occurs.

2. Our appointment as your Sole Agent is for an initial period of 6 months after which it will continue unless it is brought to an end by either party by not less than 14 days written notice to the other.

3. If a sale/letting is negotiated or a purchaser/tenant is introduced during the period of our Agency, you will pay us commission as follows: -

Sale	2% of the sale price achieved.
Letting	10% of the annual rent passing under the lease, ignoring any incentives such as rent-free periods, or other contributions; where a stepped rent is agreed, 10% of the average annual rent again ignoring any incentives – in both cases plus 5% of any premium paid.
Assignment or Surrender	10% of the annual passing rent plus 5% of any premium received/paid.

4. These rates are subject to our minimum fee of £1,500 and in all cases are exclusive of VAT at the prevailing rate. In the event of the appointment of another agent or agents following the original appointment of ourselves as Sole Agent and during the initial period, we reserve the right to increase the rate of commission payable. Commission will be due upon completion of the sale/letting, or upon legal occupation of the property, whichever first occurs.

5. Our fees will include the cost of preparing our in-house particulars (including digital images and location plans where appropriate), inclusion of the details on the EGi website, advertising in the Estates Gazette and distribution of particulars to all relevant applicants on our registers.

6. Advertising, special brochures and direct mailing houses may be used in our marketing by prior agreement with you. These disbursements are to be paid or discharged by you whether or not we effect a sale/letting of the property. No such expenditure will be incurred on your behalf without your prior approval. Expenses incurred in this respect will generally be payable directly by you, but where paid by us and charged to you as a disbursement they will be payable by you on receipt of our invoice.

7. No other charges will be billed to you without your prior written approval. However, if for any reason the property is withdrawn or a letting/sale becomes abortive after solicitors have been instructed, or our instructions are terminated for any reason prior to the property being fully disposed of, we reserve the right to charge you in respect of our abortive work on a time spent basis (minimum abortive fee £500 plus VAT for each occasion). In the event that you withdraw from a transaction once solicitors have been instructed on terms agreed by you, you will pay us half the agreed disposal fee plus all pre-arranged disbursements.

8. Interest will be charged at the rate of 2.5% per month or part month from the due date on any invoice that remains unpaid for 30 days or more after the due date.

9. If there is any conflict, contradiction or discrepancy between these Terms of Engagement and the mutually agreed contents of any letter or letters from us to you after the date of these Terms, then the terms of our letter(s) will prevail and be effective.

10. If there is more than one vendor or landlord your liability under these Terms of Engagement is joint and several.

11. Ho2 Plc has a complaint handling procedure in accordance wit Rule 8 of the RICS Members Conduct Regulations, which is available on request from the Finance Director, Nicolas Fuselli.