

Lease Conferences



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Disclaimer



Whilst we make reasonable efforts to ensure our content is accurate and up-to-date, information and guidance in this webinar does not and is not intended to amount to legal advice in any particular case.

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The law is stated as at 1 December 2016



LEASEHOLD ENQUIRY INFORMATION FORMS – A GUIDE FOR PROPERTY PROFESSIONALS

Dona Awano
1 December 2016

Webinar outcomes



- Explain the key information a buyer of a lease should know
- Describe at a high level the key documents the buyer should receive
- Explain the main risks to the buyer's enjoyment of the property
- Identify the main financial obligations the buyer is taking on

Introducing LEASE



Seminars and group meetings



Training

Wide range of advice guides

Introducing LEASE



Free legal advice funded by government



Law affecting residential leasehold

- England and Wales

The lease



Types of leases



- Private
- Right to buy
- Shared ownership
- Retirement lease
- Head lease
 - Underlease
- Tripartite lease
 - Resident management company (RMC)

Types of leasehold dwelling



- Flat
 - Block
 - Conversion
 - Part-commercial/part-residential



Types of leasehold dwelling



- House
 - On an estate

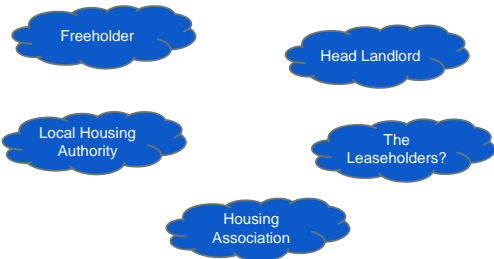


Properties of a lease

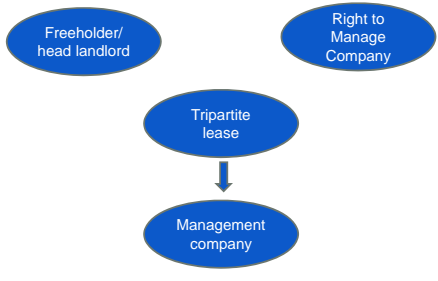


- It is a contract
- Capable of being sold/mortgaged
- Diminishing asset

Who is the landlord?



Who manages the building?



Introducing the forms



- Leasehold Property Enquiries form(Second Edition)
 - LPE1
- Buyers Leasehold Information Summary (**NEW**)
 - LPE2

The origin of the forms



The Competition And Markets Authority



Collaboration



- The Law Society
- Royal Institution of Chartered Surveyors
- British Property Federation
- Conveyancing Association
- National Association of Estate Agents
- Home Owners Alliance
- Association of Residential Managing Agents

Collaboration



LPE1- who should reply?



- Landlord
- Management Company
- Managing Agent
- Residents'/Tenants' Association
- Representatives of the above

LPE1-the main definitions



- Ground rent
- Landlord Managed Area
- Reserve Fund
- Right to Manage Company
- Service charge
- Section 20
- Lessees

Definition - the property



LPE1 - Contact details



Landlord
 Management Company
 Managing Agent
 Residents'/Tenants' Association



The professional manager



LPE1 - Who does what?



Accepting service of Notice of Assignment and Charge

Collects Ground Rent

Collects Service Charges

Collects Building Insurance Premiums

Day-to-day maintenance of the Building/Managed Area

Organises/administers Building Insurance

LPE1 - Transfer and registration



- Deed of Covenant
- Licence to Assign
- Licence to Alter
- Joining Management Company
- Land Registry Restrictions



LPE1 - Ground Rent

- Amount
- Paid up to date?
- Arrears?
- Last demand – period covered



LPE1 - Service Charge

- Contributions towards Managed Area
- Current annual amount
- Paid up to date?
- Arrears?
- Balance charge anticipated?
- Last demand - period covered
- Collection problems





LPE1 - Reserve Fund

- Is there one?
- Amount held?
- Enough to cover s20 works?





LPE1 - Managed Areas

- Last internal/external decoration
- Proposed s20 works within next two years
- Anticipated 10%/£100 Service Charge increase within next two years
- Outstanding s20 procedures.
- Japanese knotweed



LPE1 - Resale/subletting fees

- Transfer fees
- Deferred service charges
- Similar fees
- Expressed as % of value



LPE1 - Buildings insurance

- Premium contributions paid up to date?
- Last demand - period covered
- Claims made during last three years
- Anticipated claims?

LPE1 - Buildings Insurance



- Covers managed areas?
- Fire Risk Assessment
- Last Reinstatement Cost Assessment
- Service Charge budget

LPE1 - Disputes and Enfranchisement



- Forfeiture proceedings
- Unresolved disputes
- Steps to enfranchise, RTM, extend lease
- Breach of lease terms

LPE1 - General



- Managed Area
- HMO



LPE1 - Required documents



- Service Charge accounts - last three years
- Building Insurance Policy and schedule
- Service charge estimate
- S20 notices
- Forfeiture proceedings

LPE1 - Required documents



- Regulations/rules
- Deeds of Variation
- Deed of Covenant
- Licence to Assign
- Licence to Alter

LPE1 - Required Documents



- Asbestos Survey
- Fire Risk Assessment
- Management Company
 - Memorandum and articles of association
 - Last Minutes

LPE1 - At the end of the form



- Note
- Disclaimer



LPE2 - Purchase costs



Notice

Deed of covenant

LPE2 - Regular payments



- Ground Rent
- Service Charges
- Building Insurance

LPE2 - Additional payments



- Excess service charges
- Planned additional maintenance contributions
- Planned Service Charge increase
- Future fees on selling/subletting

Questions?



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