

Annex to the HOME BUYER Report

Everybody planning to buy a Leasehold property (other than in Scotland, most flats and maisonettes and a few other properties are Leasehold) is advised to pay particular attention to the terms of the Lease

- Your Legal Advisers, are responsible for checking the Lease for you, but do not normally see the Property. The Surveyor may note any specific features which may have legal implications. Any such matters are reported in *Section E: Legal & Other Matters* (where you are advised to pass a copy of the Report immediately to your Legal Advisers).

- Unless otherwise stated, in arriving at the opinion of the Market Value of the Property (Section G: *Valuation*), the Surveyor assumes that all the terms of the Lease which might have an affect on the value are standard ones*, and that only a small ground rent is payable. This should not be relied upon, however, without being checked by your Legal Advisers.

* Full details of the terms referred to above are available from the Surveyor; a summary is given below.

- You are advised to ask your Legal Advisers to supply the answers to the following questions:**

- The other flats: are they occupied by owners or tenants?
- Management: is there a Management Company and/or Managing Agent correctly set up to deal with the running and maintenance of the block containing the Property?
- Identify the dutyholder in respect of the *Control of Asbestos in the Workplace Regulations 2002*, confirm that there is a Register of Asbestos in place and an effective management plan in relation to it.

- Maintenance and replacement fund: does a suitable fund exist, with suitable reserves, to deal with:
 - general cleaning;
 - maintenance and repair of the common parts;
 - repairs to the main structure;
 - centralised heating installation,
 - lifts, etc.?

- Ground rent: what is the amount?
 Maintenance/service charge:
 - what sum was last paid, and what period did it cover?
 - are the accounts satisfactory and up-to-date?
 - are there any existing or foreseeable management problems or disputes or any known outstanding repairs or programmed works, which would affect the level of the charge payable?

- Maintenance of services : is this regular and satisfactory?
 Common services: are there satisfactory, current certificates for:
 - the lifts;
 - the fire escapes and fire alarms;
 - the security system(s);
 - any common water/heating system;
 - other communal facilities?

- Liability for repairs: is the liability - as between the Leaseholders, the Freeholder and the Management Company - clearly set out for repairs to the Property and to the common parts and the main structure ?
 Is the liability shared equally between Leaseholders?
 Is there suitable machinery for settling any disputes which may arise in this area?

- Insurance: is it the Management Company or each individual Leaseholder who is responsible for the building insurance, and is there a block insurance policy?

- Restrictions: are there any unusual restrictions on the sale of the Property?

Summary of Assumptions

The most important Assumptions (full details of which are available from the Surveyor) are, in brief:

- If there are more than six properties in the building, the Property is managed either directly by the freeholder or by a professional managing agent;
- If there is more than one block in the development, the Lease terms apply (except for upkeep of common roads, paths, grounds and services) only to the block containing the Property;
- There are rights of access and exit over all communal roadways, corridors, stairways, etc., and the right to use communal grounds, parking areas and other facilities;

- Where there is more than one Leaseholder, all the Leases are the same in all important respects

- There is no current dispute over the Lease or any outstanding claim or lawsuit concerning it;

- The Lease has no particularly troublesome or unusual restrictions;

- The unexpired term of the Lease is 70 years; and

- The Property is fully insured.