

GUIDE TO SELLING A LEASEHOLD FLAT

If you are considering selling a leasehold flat you should ensure that all your paperwork is up to date and available for delivery to your Solicitor in anticipation of a Buyer being found. Send your documentation to us sooner rather than later so that we can deal with any issues and obtain any missing papers before you find a Buyer – this will help avoid any possible delay.

We will need a copy of your Lease and any superior Headlease – if you hold these please forward them to us. Otherwise we can apply to your lender and/or the Land Registry for copies.

The Buyer will expect to be given contact details for the current Landlord and Management Company and also any Management Agent appointed by either. Names, addresses, telephone, fax and e-mail addresses will be useful if known to you.

Ground rent – please ensure that you have an up to date clear ground rent receipt available establishing that there are no arrears. Some freeholders will try and charge a fee for this – speak to us to check whether it should be paid.

Buildings Insurance – you will need to provide an up to date Schedule confirming the level of cover and terms of the insurance (an old schedule may be helpful but it will not be sufficient for any prospective Buyer). If the building as a whole is insured by your Landlord or Management Company you should request a copy of the current schedule. If you do not already have one you will be entitled to insist on a copy being provided to you. If each flat owner is left to insure their own part of the building you will not only have to produce a copy of your schedule, you will also have to produce evidence of insurance in respect of the remainder of the building. Speak to us if you are unsure what to do or who to contact.

Service charge – If you pay a maintenance or service charge you will need to produce a receipt or statement establishing that your payments are up to date. You will also be asked to produce copies of the last three years accounts that have been audited together with estimated or budget provisions for subsequent years including the current year. You may already have these items in your possession. If not you should try and obtain them immediately.

Please let us know if there is a Reserve fund held for any future liability that may arise – this may be of comfort to a discerning Buyer.

Please forward any Notices that you have received from your Landlord under section 20 of the Landlord and Tenant Act 1985 which requires that Landlords consult leaseholders about contracts of more than 12 months duration and works costing more than a prescribed amount – this is essential where costs have not yet already been invoiced and paid, and where full consultation has not yet taken place or where the outcome is still unknown.

Management Company - The Buyer will need to see a copy of the Memorandum and Articles of Association of the Company. A formal check has to be made to ensure that the company is still in existence and has not been struck off the register at Companies House – we can procure a certificate of search in this respect however please let us know immediately if you suspect that the company may have been struck off. Details of the Secretary of the Company will be required – if you are the Secretary or a Director you should tell us now as you will need to resign from your positions when the sale is completed if not before.

If the company is limited by shares rather than guarantee and you are a member of the management company you will need to produce your share certificate. If this is in your possession please forward it to us.

Consents – you will have to produce all consents required under the terms of the Lease. Check your Lease to ensure that you have already obtained these and then provide us with them – if you do not have the necessary consents please ask our advice before you approach the Landlord or Management Company.

Regulations – in some cases the terms of a lease may enable the Landlord or Residents Management Company to make regulations covering a range of matters relating to the block such as restrictions on the activities of leaseholders without having to change the lease. This facilitates the process and is particularly useful for those regulations which may need to be changed on a regular basis – copies will be required.

Any past or current dispute with the Landlord, Managing Agent and/or Management Company may have to be disclosed to the Buyer together with any relevant paperwork – please ask for our advice on this subject if it is relevant to your sale.

If your flat is tenanted you will have to produce a copy of the Tenancy Agreement particularly if the flat is to be sold subject to but with the benefit of the Tenancy. Any associated documentation such as a list of Landlords furnishings or a Landlords rent book will also be required. A statement as to the date that rent is paid will be needed prior to completion together with a note of the amount of any tenants deposit held by you or your agent. If the tenant is to vacate prior to completion of the sale please ask for our advice now – we will advise you on the procedure and timing of any notice that you need to give to the tenant.

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