

# THRINGS

SOLICITORS

## Report on Title

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1 Wolversdene Gate Andover SP10 2FX

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BATH BRISTOL LONDON SOUTHAMPTON SWINDON

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## Section A - General

### Overview

<b>Property:</b>	1 Wolverdene Gate Wolverdene Road Andover SP10 2FX	
<b>Report prepared for:</b>	BP SP102FX 001 Limited and British Pearl Trustees Limited (you)	
<b>Transaction:</b>	Purchase (vacant possession)	
<b>Purchase Price:</b>	£114,000	
<b>Seller:</b>	Paul Richard Smith	
<b>Conditions:</b>	Standard Residential Property Conditions 5 <sup>th</sup> Edition (2018 - Reversion)	
<b>Current use of the Property:</b>	Residential	
<b>Development proposed:</b>	None	
<b>Inspection:</b>	We have not inspected the Property and you should conduct a full structural survey.	
<b>Date of this report:</b>	14 September 2018	
<b>Thrings contacts:</b>	Dan Langan Anna Christie	DDI: 0117 930 9519 dlangan@thrings.com DDI: 01225 340 100 achristie@thrings.com
<b>Our reference:</b>	AJC/ B9718-1	

### Conclusion

Subject to the matters referred to in this report and to you being happy with your structural survey or decision not to obtain a survey and other investigations, we are of the opinion that, upon completion of the purchase of the Property and registration at the Land Registry, you will obtain a good and marketable title to the Property.

## Property details

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**Title number:** HP781426

Title and title plan attached

**Tenure:** Leasehold

A summary of the terms of the lease is at Section G

**Absolute title:** Yes

**Plan:**

Please check the plan carefully to ensure that it accurately reflects the extent of the land that you believe you are buying. The plan may not show the exact location of the boundaries of the Property. You should inspect the Property and let us know if there are any discrepancies between the plan and the site inspection.

The Property is shown coloured red on the lease plan. We have discussed the leasehold title plan and have confirmation from the Land Registry that it is now their procedure to simply outline the building rather than detail the specific flat.

We have discussed the importance of keeping the land registry's correspondence for an explanation to any future purchaser.

## SDLT and Land Registry fees

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Below is our estimate of the Stamp Duty Land Tax and Land Registry fees payable in respect of the Transaction. Save for submission of a straightforward SDLT return we cannot advise on tax matters, but we can recommend a tax advisor on request.

**SDLT:** £3,420 as a company you are liable to pay the additional 3% SDLT rate

**Land Registry fees:** £95

## Executive summary

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This is a summary of the major points and issues that we think should be brought to your attention:

1. Although the Property was only built in 2015 and we can see a GasSafe Installation Certificate does exist the Seller has not been able to provide a copy. The Seller has also not had the boiler or electrics tested recently. We appreciate that you are pushing this purchase through at some speed and may not feel you have time to have the boiler or electrics serviced. We must however point out that if you complete and find the Property is damaged or the facilities do not work, the "Buyer Beware" principle will apply. This means that you agree to accept the property in its condition (both structurally and decoratively) **at the date of exchange**. The principle leaves you with no action against the Seller after completion, unless you can provide unquestionable proof that any damage or faults occurred after exchange of Contracts. It is therefore very important that you check the condition of the property and that the systems are in working order.
2. You are required to become a member of the Management Company.
3. You only have a right to park in a parking space. You are not purchasing a parking space as part of the demise of the Property.
4. You are not to keep any animal or bird on the Property without the Landlord's consent.
5. The postcode detailed in the Lease and on the EPC is slightly different to that detailed on the official copies. We believe the postcode detailed on the official copies is correct. We are therefore not particularly concerned. It may have been that the development had a different postcode at the time the planning was granted the issue has now been rectified.

6. The definition of the Property within the lease is coloured blue on plan one. From the copy we have the property seems to be coloured red. This may simply be a mistake when the lease was first granted or it may be a photocopying discrepancy, either way we are not concerned. The Lease makes it clear as to the extent of the Property.
7. The Seller has been unable to provide the NHBC 10 year structural warranty. NHBC have confirmed the warranty is registered and we will obtain a copy post completion as agreed.
8. We have discussed the lack of a fire risk assessment and the possible implications. Please read our comments on this below carefully.

## Outstanding Information

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At the date of this report, the matters listed below are outstanding. We will keep you informed as and when these matters are resolved.

1. Confirmation the items marked as fitted are included in the sale.
2. Confirmation the washing machine is included in the sale.
3. Confirmation from the Seller's solicitor regarding allowances for a) arrears, b) £50 plus VAT for landlord enquiries and c) NHBC duplicate policy.

## Scope of review and limitation of liability

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- This report was prepared by Thrings LLP and is for the sole benefit of the party for whom it was prepared, as identified above. It was prepared for the Transaction and for no other purpose, and is issued subject to the terms of our engagement with you. The contents of this report are private and confidential, and must not be relied on by or made available to any other party without our written consent.
- If there is anything in this report which does not match with your understanding, please let us know. In particular, you should let us know if you know or suspect that anyone other than the Seller uses the Property for any purpose.
- Our review is limited to matters likely to be relevant to the current use of the Property or (if applicable) the proposed development, as set out above.
- Our due diligence will generally only reveal matters that affect the Property itself. It is not intended to disclose matters that affect neighbouring properties. If you require information about neighbouring properties, please let us know so that further enquiries can be made.
- This report is based on our review of the title documents, replies to pre-contract enquiries and other information supplied to us, and we cannot take responsibility for any inaccuracy in them. We have not taken any steps to verify independently any information supplied to us.
- Where the provisions of a document are summarised, the wording of the provisions has been shortened. Provisions that are likely to be less important when assessing their effect on the value of the Property have been omitted. This report should not be used as a substitute for reading the actual documents.
- You should diarise any deadlines or other key dates. We cannot accept responsibility for reminding you about deadlines or other dates.
- This report is limited to legal matters. We express no opinion on the commerciality of the transaction, the physical condition of the Property or the financial strength of any of the parties involved. We are unable to advise on the value of the Property or on tax matters (save for the submission of a straightforward SDLT return). We recommend that you have the Property professionally valued and surveyed. You should ensure that the valuer and surveyor are aware of the matters mentioned in this report, as these matters may affect their report.
- The route of private supply conduits are not generally revealed by utilities searches and (unless we say otherwise in this report) we have assumed that any conduits serving the Property connect (or will connect) directly to the mains supplies without crossing any land outside the Property, and that your survey does not reveal any third-party supply conduits at the Property. Ideally your survey would identify the route of the conduits serving the Property so that we can confirm any necessary rights are in place, though that may be impractical. Where we confirm the location of the nearest supply, this is not confirmation that a connection is possible nor that capacity exists, and you should check the position on site.

## Section B - Contract Summary

<b>Agreement type:</b>	Contract
<b>Purchase price:</b>	£114,000
<b>Deposit:</b>	<p>£14,400, payable on exchange.</p> <p>The deposit is to be held by the Seller's solicitors as stakeholder.</p> <p>If the deposit is less than 10% of the price and you fail to complete on the due date, you will must immediately increase the deposit to 10%.</p>
<b>Risk:</b>	<p>The Property is at your risk from exchange. As this is a leasehold flat the Landlord insures the Building.</p> <p>You are buying the Property subject to the restrictions and covenants detailed on the register. We have discussed these above.</p>
<b>Completion:</b>	<p>This date is agreed on exchange of contracts.</p> <p>If the purchase money is paid late on the completion date then you will pay penalty interest on any funds which are unpaid. This is currently 4% above the Base Rate, calculated on a day to day basis. The completion date is agreed between yourselves and the Seller on exchange of contracts. It is therefore vitally important that you ensure you are able to organise your funds for the agreed date.</p> <p>If completion is delayed then the defaulting party has 10 working days in which to complete. If you are the defaulting party and we are unable to complete within the timeframe then as well as incurring interest the Seller will be entitled to keep your deposit and rescind the contract.</p>
<b>Vacant possession:</b>	Yes
<b>Conditions</b>	<p>The Contract incorporates a set of standard conditions which are published by the Law Society. They detail such things as penalties for each party if they do not complete on time, percentage of deposit required and who has risk of the property throughout the transaction. You do not need to concern yourself with the specific detail of these conditions however, if you would like to see a copy please do let us know.</p>
<b>Representations:</b>	<p>As relatively usual, you are only entitled to rely on statements made in writing by the Seller's lawyers to us. If the Seller has made any representations on which you want to rely then please contact us to discuss.</p>
<b>Fittings and Contents Form</b>	<p>The Fittings and Contents Form is enclosed, this will be annexed to the Contract and will form part of it. Please ensure that anything you were expecting to be left is detailed within this form. We await confirmation that the items marked as "fitted" are included and that the washing machine will be left.</p>

## Section C - Condition of the Property

The Property is sold in its present condition and the Seller is not liable for any defects insofar as actionable misrepresentations have been made. If you have been influenced in your decision to purchase by a representation (a statement of fact), made by the Seller either orally or in writing then please notify me so that this may be clarified with the Seller's Solicitors.

It is important to note that this applies equally to heating and other service installations as to the property itself. Experience has shown that, particularly with central heating systems that have not been properly maintained the Gas/Electricity Board has condemned systems or part of them as being dangerous on the completion of a purchase following inspection by them to connect a supply.

Although the Property was only built in 2015 and we can see a GasSafe Installation Certificate does exist the Seller has not been able to provide a copy. The Seller has also not had the boiler or electrics tested recently. We appreciate that you are pushing this purchase through at some speed and may not feel you have time to have the boiler or electrics serviced. We must however point out that if you complete and find the Property is damaged or the facilities do not work, the "Buyer Beware" principle will apply. This means that you agree to accept the property in its condition (both structurally and decoratively) **at the date of exchange**. The principle leaves you with no action against the Seller after completion, unless you can provide unquestionable proof that any damage or faults occurred after exchange of Contracts. It is therefore very important that you check the condition of the property and that the systems are in working order.

If you wish the Seller to remedy or pay for repairs to any defects then these must be agreed **before exchange**, notified to us and included in the Contract.

## Section D - Existing title matters

### 1 Title Register

The Property is registered under the leasehold title number HP781426.

The Landlord's title is registered under the freehold title number HP769471. Copies are enclosed.

The title is split into three sections:

- a) The Property Register, which shows any rights which are granted or reserved over the Property;
- b) The Proprietorship Register, which shows the owner of the Property. Following completion we will apply for your details to be added here. This also shows the type of title. This property is registered with absolute freehold title which is the best class of title; and
- c) The Charges Register, which shows and restrictions, covenants or charges burdening the property.

We have discussed these in more detail below.

### 2 Rights benefitting the Property

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You will see at entry 2 of the leasehold title the Property benefits from but is subject to the rights granted and reserved by Transfer dated 28 February 2014. This Transfer grants and reserves similar rights to those detailed in the Lease and discussed below.

- 2.1 Entry 3 of the Property Register details the Lease.
- 2.2 The Property enjoys the rights set out in Schedule 2 in the Lease, please read these carefully. They include the rights detailed below but this is not an exhaustive list.
  - a) Right of support;
  - b) Right of access to and from the Property over the common areas;
  - c) Right to connect to services;
  - d) Right to enter the neighbouring flats and common areas so far as is reasonably necessary to inspect or carry out works to the Property; and
  - e) Right to use the parking space, shown edged red on plan two.

### 3 Rights affecting the Property

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The rights reserved can be found in Schedule 3 within the Lease:

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- 3.1 The Landlord reserves, for their benefit and the benefit of the neighbouring properties identical rights to those detailed above.
  - 3.2 The Landlord has also reserved the additional right to re-route the service media and to suspend the right to park and use the garden for as long as is reasonably necessary to affect repairs.
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## 4 Covenants affecting the Property

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The Property is subject to the following Covenants and Regulations detailed in Schedule 4 and Schedule 5 of the Lease. Please read these through carefully some of the key covenants have been detailed below:

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- a) To pay the estimated service charge;
  - b) Not to make any external or structural alterations to the Property;
  - c) Not to makes any internal non-structural alterations or additions to the Property without prior written consent of the Landlord;
  - d) Not to assign, underlet or part with part of the Property;
  - e) To provide the Landlord with notice of the assignment within one month;
  - f) To keep the Property in good repair and condition;
  - g) Not to use the Property for any trade or business;
  - h) Not to do anything in the Property which may become a nuisance to the neighbouring properties;
  - i) Not to overload the Service Media;
  - j) Not to keep any animal or bird on the Property without the Landlord's consent.
  - k) Not to put any sign, plate or drawing on the exterior of the Property;
  - l) Not to fix a television, radio aerial or satellite dish to the Building without Landlord consent;
  - m) Not to park any vehicles on the external areas apart from the Parking Space; and
  - n) Not to park anything other than a private motor vehicle or small commercial vehicle on the parking space.
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## 5 Landlord and Management Company Covenants

At Clause 7 of the Lease the Landlord covenants with the Tenant to observe covenants and obligations in the Lease in Schedule 6.

Detailed in Schedule 6 is, most importantly, the obligation to insure the Building. There is also a covenant for quiet enjoyment of the Property and the enforcement of covenants against other flat owners.

## Section E - Enquiries and Replies

### Enquiries and Replies to Enquiries

As we have previously advised the Seller has completed the Property Information Form. A copy is enclosed.

I have also raised some additional enquiries. Our enquiries and the Seller's replies are enclosed.

Please note:

1. The EPC for the Property is a B;
2. The boiler and the electrics at the Property have not been serviced or tested recently. Please read our comments above in relation to this.
3. The Seller has been unable to provide the 10 year Structural Warranty for the Property. NHBC have confirmed the warranty has been registered and a duplicate copy can be obtained for £42.
4. The Seller has provided the Building Regulations Completion Certificate for the Property which is good to see. A copy is attached.

## Section F - Searches

Please see our separate report on searches.

## Section G - Lease summary

<b>Detailed extent of the Property:</b>	The leasehold property known as 1 Wolversdene Gate Andover SP10 2FX and more particularly detailed in Schedule 1 of the Lease
<b>Headlease:</b>	None
<b>Date:</b>	18 March 2015
<b>Name and address of current landlord:</b>	Wolversdene Road Andover Property Management Company Limited of 11a Hazeley Enterprise Park, Hazeley Road, Twyford, Winchester, SO21 1QA
<b>Current tenant:</b>	Seller
<b>Length of the term, commencement date and expiry date:</b>	999 years from 1 January 2015
<b>Rights granted to the tenant:</b>	The Lease contains the usual rights of access to and egress from the Premises over the Common parts of the Building and for the services to cross other parts of the Buildings and the other rights set out in Schedule 2.
<b>Rights reserved to the landlord:</b>	Similar to the rights granted and set out in Schedule 3.
<b>Current rent</b>	A peppercorn (£0)
<b>Rent review dates and date of last review:</b>	N/A
<b>Rent review provisions:</b>	N/A
<b>Permitted use and any restrictions on use:</b>	A single private dwelling
<b>Repair and decoration provisions, including obligations when the Lease ends:</b>	As tenants the lease requires you to keep the flat in good repair and decorative condition.
<b>Insurance provisions:</b>	The Landlord insures the Building.
<b>Alterations provisions:</b>	You cannot make any alterations to the Apartment without the Landlord's written consent.
<b>Service charge provisions:</b>	To pay the Tenant's Proportion (25%) of the Service Costs relating to the Building and 12.5% of the Service Costs relating to the Common parts.

## Section H - Management Information

### LPE1

We have discussed the Management Information at great length in email correspondence. We attach a further copy of the LPE1 provided by the Landlord.

The Landlord is Wolversdene Road Andover Property Management Company Limited. The company currently only has one director. On completion you will be required to join the Management Company.

The Landlord, in replies to enquiries, explained that they have not been charging or keeping accounts for the Building's service charge. They plan on passing the Management Company and its obligations to the flat owners. There will, therefore, be additional charges payable in the future. You will be a director of the company so will have partial control over what these are.

This is a positive thing, as it means you do not have to pay excessive fees to a third party however it does mean you will take on the responsibilities and requirements of the landlord. If none of the flat owners step up to officially run the company, the accounts and the day to day management then you may need to consider appointing a formal management company to run things for you.

We have discussed the Fire Risk Assessment or more lack of. It is a statutory requirement of a landlord to undertake a fire risk assessment of the Building. The Landlord has not undertaken this and has provided the below. Their explanation is correct, the Property will have been built in compliance with Building Regulations which will have considered fire safety. The Landlord has clearly considered the issue, given their description below. Nevertheless, this is still a statutory requirement and insurers will do anything they can to avoid paying out on a claim. There is a possibility that, if there is a fire, and insurance needs to be claimed, the insurers refuse on the grounds that the policy holder did not comply with all their statutory requirements (which will be a condition of the insurance). As you will see in the Landlord's replies, they are in the process of adding directors and passing the freehold and the management responsibilities to the flat owners. You have decided that you will undertake a Fire Risk Assessment post completion and understand the risks. Please do let us know if you have changed your mind in this regard.

*"As regards fire risk assessment, and insurances, a valid insurance policy is in place for the building. The property was constructed in full accordance with the building regulations and has the benefit of NHBC warranties. Fire stopping has been included as necessary to meet regulations. Ground floor apartments have access directly to the outside via multiple suitable escape exit routes in the event of fire and the two upper floor occupiers have access to the outside via a protected staircase. The staircase has the benefit of mains fed fire detection that provides early warning to the occupiers. It is a very simple building in terms of risk in the event of fire."*