

Commercial Property Sale

1. Preliminary Matters

You will need to agree a set of Heads of Terms with your buyers. This is usually part of your Estate Agent's role but if no Agent is involved, you should still compile a list of the essential terms that have been agreed and ask your buyers to confirm that these are agreed. This will save time and money in due course for both parties.

Our role once terms have been agreed is to apply for your title deeds and check the legal title to ensure that you own the property, to check whether it is freehold or leasehold, to check whether there are any covenants or other restrictions which may affect your ability to proceed on the terms agreed and to check whether your property is subject to a mortgage. If you do have a mortgage on the property, we will obtain a redemption statement for you so that you are aware at an early stage of the amount owing. Where we are acting on the sale of part of your land, we will need to check with your lender that they are prepared to release that part of the land free from their mortgage and upon what terms. We would also need to do this if you are granting a lease of the property.

2. Preparation of the Contract package

Once the title deeds have been obtained, we will prepare a contract incorporating the agreed terms and construct a package of documents and replies to enquiries to be sent to your buyers' solicitors. We will need you to complete standard form Commercial Enquiries which can be quite lengthy but the completion of these forms at an early stage will speed up the transaction quite considerably.

It is important that you inform us of any other relevant information, for example if you have received any notices from any Authority or neighbouring owner, which may affect your property or any adjoining property. If you do not disclose relevant information that you are aware of, you may be subject to an action from your buyers for damages.

If you are granting a new lease, we will also prepare a lease based on your instructions to be included in the initial package of documents to go to your buyers' solicitors. Once the buyers' solicitors have received these documents, they will put in hand their searches and will raise further enquiries on the documents received. They may also suggest amendments to any draft lease.

The buyers will also be arranging a survey of the property and will be putting in hand their financial arrangements.



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If you wish to discuss these matters further, please do not hesitate to contact Karen du Rocher on:

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3. Exchange

The buyers will not be in a position to exchange contracts until the buyers' solicitor has received the results of the searches, satisfactory replies to any additional enquiries raised, a satisfactory survey report and a mortgage offer.

You should ensure that you co-operate with any requests for access to the property by the buyers' surveyor as this will speed up the issue of their offer of finance. Sometimes it is possible to exchange contracts on a conditional basis, for example subject to planning permission being obtained.

Once contracts are exchanged, both parties become legally bound to proceed to completion. The buyers will also be required to pay a deposit on exchange (normally 10%) which will be forfeited should they fail to complete.

The deposit will usually be held by us as stakeholders. If you are purchasing another commercial property simultaneously with your sale, you may not use this deposit on your related sale without the buyers'

consent. Sometimes the buyers do not have a 10% deposit. We would enquire as to the reason for this and advise you whether you should accept a lesser deposit. An acceptable reason would be, for example, if the buyers are obtaining a 95% mortgage.

4. Completion

The completion date will have been agreed as part of the exchange process. The completion date is the day on which the completion monies are paid over and the transfer or grant of lease is legally effected. If the contract provides, you must give vacant possession of the property on this day. We would advise that you continue buildings insurance until completion has taken place.

5. Post Completion

We will arrange for your mortgage to be discharged out of the sale proceeds where relevant. We will account to you with the net sale proceeds and pay the Estate Agents in full.

What else can Hatten Wyatt do for you?

When your business circumstances change for example on a sale or purchase, it is a good time to review other aspects of your business.

You may be moving to bigger premises and increasing staff numbers. We can assist and advise on contracts of employment, policies and handbooks in accordance with current legislation. We can also draft or review partnership deeds and shareholder agreements.

You may be moving in order to downsize your business. We can then assist in advising on redundancy and consultancy procedures.

If you require further advice and assistance, please contact:-

Karen du Rocher in our Commercial Property Department (karen.durocher@hatten-wyatt.com)

or

Jasvinder Gill in our Employment Department (jasvinder.gill@hatten-wyatt.com)

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