

PROPERTY LEASES – BE AWARE OF WHAT YOU ARE SIGNING

Over the last couple of years many of us on the Burges Estate have been able to relax with regards to restrictive covenants on our leasehold and freehold properties, due to BERA thrashing out a deal which meant we could buy out these covenants at a price which was acceptable to both sides.

Looking through the newspapers at the weekend, I realised how different things could have been and how important it is to always read the small print of any documents you sign. There was an article about leasehold properties that had been sold, where a ground rent of £250 a year was charged. Once moved in, residents were being presented with a bill for £8,000 a year! Unfortunately in the small print of the lease there was a clause stating the ground rent would be backdated to 1961, when the property was built, and doubled every 10 years, meaning in 95 years this figure would be £8 million.

Issues such as this are taking place across the country and we are very lucky that they are no longer taking place here. I would advise all owners of leasehold properties to be very vigilant and to read carefully any documents relating to their lease, in particular to any conditions that apply. Additionally, our advice to any freehold residents, especially those who have recently moved in to the area, is be aware of what is in your title deeds and do not just rely on your solicitors picking up these issues, as in the case mentioned above their legal team completely missed them.

Ron Woodley, Chair BERA