

CASE STUDY: REVIEW OF AUCTION PACK

CLIENT: CONFIDENTIAL – PRIVATE INVESTOR CLIENT/COMPANY

SECTOR: MIXED-USE PROPERTY

MATTER TYPE: AUCTION PURCHASE

VALUE: £UNKNOWN



Background

We were instructed to review and report on an auction pack comprising over 100 documents less than one week before the auction date so that the client could make an informed decision whether or not to bid on the property.

Our Role

The property in auction was a commercial property forming part of a larger estate, comprising 8 individual commercial units all of which were subject to occupational leases with service charge contributions and other obligations, including some with rent deposits and ancillary documents. We reviewed the documents forming part of the auction pack to include the proposed form of contract and transfer for the purchase of the property.



Written by Chris Biggs
Partner at Lightfoots
Solicitors

Key Challenges

- Given the property formed part of a larger estate, the title was complex and involved reference to and consideration of a number of additional documents.
- One of the occupational leases should have been registered at the Land Registry when it was completed but was not. This creates issues with the ability for the seller to sell and buyer to take on the lease as it is deemed a personal contract between the original parties (for example, the buyer would not have been able to enforce covenants under the lease with the tenant).
- We had very limited time to review the auction pack (with further documents being added to the pack during the process) and prepare our report to our client.

Our Solution

- The pack was reviewed on an urgent basis and the auction pack was regularly checked for updates.
- Adverse issues arising were prioritised in our report to the client with advice provided as to their implications and how any such issues could be resolved
- Form of report to client designed to make it as simple as possible for the client to assess the position and the advice provided, with any additional enquiries raised by the client being responded to as soon as possible

Outcome

Client fully aware of matters before considering whether to bid to purchase the property and very grateful for the advice and assistance provided.



Our commercial property team at Lightfoots Solicitors is here to provide expert legal guidance, please get in touch to discuss your specific needs.

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