

Commercial Property Standard Enquiries

CPSE.2 (version 3.4) Supplemental pre-contract enquiries for property subject to tenancies for commercial use

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Particulars

Seller:	Spinnaker Nominees Limited
Buyer:	To be confirmed
Property:	26-29 Market Place, Kingston upon Thames, KT1 1JH registered with freehold title numbers SGL387744, SGL609277 and SY289939
Development (if appropriate):	Not applicable
Transaction:	Sale of the Property
Seller's solicitors:	Boodle Hatfield LLP (ref: NMS KAW 15000 1278)
Buyer's solicitors:	To be confirmed
Date:	16 June 2023

Interpretation

The section on Interpretation in CPSE.1 is incorporated in this document and the following interpretation also applies:

- **1954 Act:** means the Landlord and Tenant Act 1954.
- **1995 Act:** means the Landlord and Tenant (Covenants) Act 1995.
- **Consent:** refers to an approval, a licence or permission (whether of the landlord, any superior landlord or any other person).
- **Landlord:** includes licensor.
- **Let Unit:** means any Lettable Unit which, at the date of the replies to these enquiries, is the subject of at least one current Tenancy.
- **Lettable Unit:** means any part of the Property used or intended for separate occupation for commercial (not residential) purposes.

- **Rent:** includes licence fee but does not include service charge or insurance premiums or other sums reserved as rent.
- **Tenancy:** refers to any arrangement for the occupation of any Lettable Unit (whether that is a lease, underlease, licence or an agreement for a lease or licence).
- **Tenancy Documents:** (in relation to each tenancy) refers to the instrument creating that Tenancy and any of the following that relate to it: charges, mortgages, surrenders, variations, side letters, undertakings, applications, Consents, memoranda, registrations, notices, rent deposit deeds, orders, guarantees, concessions, franchise agreements, counsel's opinions, arbitrators' or experts' decisions.
- **Tenant:** includes subtenant and licensee.

Instructions

- Section 1 (enquiries 1-3) relates only to those parts of the Property that are not Let Units.
- Section 2 (enquiries 4-14) relates only to Let Units.

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SECTION 1 ENQUIRIES: UNLET PARTS OF THE PROPERTY

1. VOIDS

1.1 Please identify all Lettable Units which are not currently Let Units

1.1 The following units are vacant: 26-27 Market Place, Second Floor and 29 Market Place.

1.2 In relation to each such Lettable Unit, please explain how any previous Tenancy was ended, why there is no current Tenancy and tell us whether anyone is expressing an interest in taking a Tenancy of it.

1.2 In each case, the tenants were not using the space so wanted to downsize.

2. COMMON PARTS

2.1 Please identify any areas of the Property which are common parts, being parts which are not Lettable Units and which are intended to be used in common by the occupiers of the Property.

2.1 Please refer to the copy Letting Documents supplied.

2.2 Is use and maintenance of the common parts governed by any arrangements other than the terms of the Tenancies of the Let Units? If so, please provide details.

2.2 No.

3. RETAINED PARTS

3.1 Please identify any areas of the Property that are neither Lettable Units nor common parts.

3.1 None.

3.2 Are any of these areas designed or intended for residential use? If so, please specify which.

3.2 None.

3.3 Are any of these areas occupied and, if so, on what basis?

3.3 Not applicable.

SECTION 2 ENQUIRIES: TENANCIES OF LET UNITS

4. BASIC DETAILS OF THE TENANCIES

4.1 If not already supplied, please supply a copy of the Tenancy Documents for each current Tenancy.

4.1 Please refer to the datasite.

4.2 Please supply a schedule of the current Tenancies of all of the Let Units, indicating, in relation to each such Tenancy (unless disclosed by the Tenancy Documents supplied)

- (a) the Let Unit that the Tenancy relates to;
- (b) the name of the current tenant;
- (c) the name of the current occupier;
- (d) the current use;
- (e) whether or not the Tenancy is in writing.

Let Unit	Current Tenant	Current Occupier	Current Use	In writing?
26 Market Place - Ground Floor	Eurochange Limited	Eurochange Limited	Retail with ancillary offices	Yes
26-27 Market Place - Part Ground and First Floor	Lush Retail Limited	Lush Retail Limited	Retail	Yes
26-27 Market Place - Part First Floor	Partnership for Children	Partnership for Children	Offices	Yes
26-27 Market Place - Second Floor	<i>Vacant</i>	-	-	-
28 Market Place	Greggs Plc	Greggs Plc	Retail and residential flat	Yes
29 Market Place	<i>Vacant</i>	-	-	-

4.3 Please provide the following information for each current Tenancy;

- (a) details of any informal arrangements with the Tenant that are not disclosed by the Tenancy Documents supplied, including any Consents to the grant of the Tenancy or given under the Tenancy.
- (b) details of any waiver of any of the terms of any of the Tenancy Documents supplied;
- (c) give details of any applications for Consent made by the Tenant that are currently being considered.

4.3 None.

5. RENT AND RENT REVIEW

In relation to each current Tenancy:

5.1 Please state:

- (a) the amount of Rent currently payable
- (b) whether the Rent is paid in pounds sterling;
- (c) who pays the Rent;
- (d) whether the Rent is paid by banker's order or direct debit; and
- (e) to whom rent demands are sent?

5.1	Current rent	Currency	Paid by	BO / DD	Address for demands
	26 Market Place (Ground Floor) - £40,000 per annum	GBP	Eurochange Limited	DD	Ground Floor, 26 Market Place, Kingston Upon Thames, KT1 1JH
	26-27 Market Place (Part Ground and First Floor) - £75,000 per annum	GBP	Lush Retail Limited	DD	Units 21-23 Dolphin Quays, The Quay, Poole, Dorset, BH15 1HU
	26-27 Market Place (Part First Floor) - £14,606.88 per annum	GBP	Partnership for Children	DD	26-27 Market Place, Kingston Upon Thames, KT1 1JH
	26-27 Market Place (Second Floor) - vacant	-	-	-	-
	28 Market Place - £107,000 per annum	GBP	Greggs Plc	DD	Greggs House, Quorum Business Park, Newcastle Upon Tyne, NE12 8BU
	29 Market Place - vacant	-	-	-	-

5.2 Except where apparent from the Tenancy Documents supplied, please give details of any rent concessions, deferrals, abatements, reverse premiums on the grant of a lease and other inducements given.

5.2 None.

5.3 Please supply a schedule of outstanding rent arrears and a record of rent payments over the last three years.

5.3 See Schedule of Arrears provided which summarises the situation as at 9 May 2023.

5.4 Please confirm that:

- (a) any rent reviews have taken place strictly in accordance with the terms of the relevant Tenancy;

- (b) any notices and applications for arbitration or for determination by an expert of any current rent reviews have been made on time; and
- (c) any rent review settlements have been satisfactorily evidenced in accordance with the terms of the relevant Tenancy (or provide details of any settled rent review which has not been evidenced in this way).

- 5.4 (a) Confirmed so far as the Seller is aware but please rely on your own review of the documentation provided.
- (b) Confirmed so far as the Seller is aware but please rely on your own review of the documentation provided.
- (c) Confirmed so far as the Seller is aware but please rely on your own review of the documentation provided.

5.5 In respect of any rent reviews that are currently being negotiated, please state the present position and provide copies of all notices and correspondence.

5.5 Not applicable.

5.6 Except where apparent from the Tenancy Documents supplied:

- (a) has any Tenant made any improvement to the Let Unit which is to be ignored on rent review?
- (b) since the original letting of the Let Unit have there been any alterations to its internal layout or physical arrangement or appearance which might affect the level of rent achievable? and
- (c) are there any other circumstances which any Tenant has claimed have the effect of reducing the rental value of the Let Unit?

- 5.6 (a) Please refer to the copy Tenancy Documents.
- (b) Please refer to the copy Tenancy Documents for details of any works that have been approved by the Seller pursuant to the Lease no further information is available.
- (c) Not so far as the Seller is aware.

6. ALTERATIONS AND REDECORATION

In relation to each current Tenancy:

6.1 Please state when redecoration of the Let Unit was last carried out:

- (a) externally; and
- (b) internally?

6.1 Decoration is a matter for each of the occupational tenants. The common parts were last redecorated prior to the Seller's acquisition of the Property, so a specific date cannot be provided.

6.2 Please give details of any works carried out by the Tenant to the Let Unit since the date of the Tenancy or any agreement for the Tenancy and indicate (in respect of these works) whether they:

- (a) were authorised by a Landlord's licence (where required)?
- (b) may qualify for compensation for improvements under Part 1 of the Landlord and Tenant Act 1927.

6.2 The Seller is not aware of any works carried out by the Tenant except those works authorised by the copy Tenancy Documents supplied.

7. ENFORCEABILITY OF TENANTS' COVENANTS

In relation to each current Tenancy:

7.1 Please state whether it was dated on or after 1 January 1996 and, if so was granted pursuant to an agreement, an option or a court order made before that date?

7.1 Yes all dated after 1 January 1996.

7.2 Please confirm whether any former Tenants or their guarantors are still liable under any Tenancy by reason of an excluded assignment as defined in section 11 of the 1995 Act?

7.2 Not so far as the Seller is aware.

7.3 With reference to section 17 of the 1995 Act please:

- (a) supply full names and current addresses of any persons contingently liable for any fixed charge payable under the Tenancy as defined in section 17;
- (b) provide copies of all section 17 notices which have been issued for claims which remain unpaid; and
- (c) give details of all claims currently outstanding which are required to be the subject of a section 17 notice.

7.3 (a) Please refer to the copy Tenancy Documents. Current addresses are not known.
(b) None issued by the Seller.
(c) None so far as the Seller is aware.

7.4 Please give details of anyone entitled to claim an overriding lease under section 19 of the 1995 Act and give details of any claim made even if it has been abandoned or withdrawn.

7.4 No claims have been made to date.

8. OUTSTANDING OBLIGATIONS AND VARIATIONS

In relation to each current Tenancy:

8.1 Please confirm there are no outstanding obligations on the part of either the Landlord or the Tenant under any agreement for lease under which any Tenancy was granted. If there are such outstanding obligations, please supply details.

8.1 None so far as the Seller is aware.

8.2 Except where apparent from the Tenancy Documents supplied, please give details of any variations to any Tenancy of a Let Unit and where and how they were effected.

8.2 None so far as the Seller is aware save as disclosed in the copy Tenancy Documents supplied.

9. RENT DEPOSITS, GUARANTEES AND BONDS

In relation to each current Tenancy:

9.1 Please give full details of any arrangements under which a sum is deposited by a Tenant as security for, or on account of, payment of Rent or performance of any obligation. Please give details of any claim that has been made under those arrangements or confirm that none has been made.

9.1 Please refer to the copy Tenancy Documents supplied.

9.2 Except where apparent from the Tenancy Documents supplied, please give details of any guarantees or bonds given by a third party (e.g. a bank) in relation to a Tenant's obligations.

9.2 None save as disclosed in the copy Tenancy Documents supplied.

9.3 In relation to all guarantees or bonds given by a third party (e.g. a bank) in relation to a Tenant's obligations, please:

- (a) confirm that no claim has been made under these arrangements; and
- (b) confirm that there has been no release or discharge of any such third party, whether expressly or by operation of law.

- 9.3 (a) Not applicable.
(b) Not so far as the Seller is aware.

10. SERVICE CHARGES AND MANAGEMENT

10.1 Unless apparent from the Tenancy Documents supplied, what is the service charge accounting period and the estimated annual service charge for the current period for the Property as a whole (not each Lettable Unit)?

10.1 Please refer to the copy Tenancy Documents and service charge budget supplied in respect of 26-27 Market Place. Please note that the tenant of 28 Market Place does not contribute to the service charge as they do not use communal areas. There is also no contribution towards service charge currently in respect of 29 Market Place as this is vacant.

10.2 Please give details of the annual service charge (for the Property as a whole) for the last three years (or longer if available) including copies of all certificates, auditors' reports, accounts and other documents relating to its calculation and apportionment.

10.2 Details of the annual service charge for the last three years have been provided.

10.3 Please supply:

- (a) a schedule of any services you provide to the Property and a breakdown of the costs of each service;
- (b) details of any sinking fund or reserve account and confirmation whether it is held in a separate trust account; and
- (c) details of any planned maintenance programme and projected expenditure.

10.3 (a) Please refer to the copy Tenancy Documents and the service charge accounts provided for details of the services provided.
(b) No sinking fund or reserve fund is currently maintained.
(c) See service charge information provided.

10.4 In relation to each Let Unit please state:

- (a) what proportion of the service charge is attributed to that Let Unit and how that proportion is calculated;
- (b) whether there has been any variation of this proportion and whether any is contemplated;
- (c) whether there are any capping or weighting provisions agreed with the Tenants; and
- (d) whether there have been any disputes regarding the proportions payable.

- 10.4 (a) Please refer to the copy Tenancy Documents supplied and 10.1 above.
- (b) The proportions have not been varied.
- (c) Please refer to the copy Tenancy Documents supplied.
- (d) The Seller is not aware of any disputes regarding the proportions of service charge payable.

10.5 Please confirm that if the Property were fully let then the total cost of providing the services would be recoverable from the Tenants of the Let Units. How do you deal with the proportion of service charge attributable to any Lettable Units that are not currently Let Units?

10.5 Confirmed. The Seller pays the proportion of the service charge payable in respect of any Lettable Units that are not currently Let Units.

10.6 If there are service charge arrears for any Let Unit please:

- (a) tell us what sums are currently due but are unpaid; and
- (b) provide a schedule of all service charge arrears over the past three years.

10.6 Details of the service charge arrears are set out in the schedule provided.

10.7 Please give details of any expenditure that has been incurred by you in providing the services to the Property since the end of the last service charge year.

10.7 Please see service charge information provided for details of expenditure incurred since the end of the last service charge year.

10.8 Except as already disclosed, have there been any complaints or disputes relating to the service charge? If yes, please give details, including in relation to any applications made to the First-tier Tribunal (Property Chamber) (previously called the Leasehold Valuation Tribunal) or to the court in respect of such complaints or disputes.

10.8 None so far as the Seller is aware.

10.9 Except as already disclosed, please provide copies of the following:

- (a) any insurance policies and service and maintenance contracts for lifts and plant at the Property;
- (b) contracts for the provision of cleaning, security and other services at the Property; and
- (c) contracts for the supply of gas, electricity, oil or other fuel to the Property.

10.9 See contracts and policies supplied in replies to CPSE.1.

10.10 Please give details of:

- (a) any managing agents; and
- (b) any permanent staff employed for on-site management of the Property.

10.10 (a) Managing Agents: MAPP (Property Management) Limited.
(b) There are no permanent staff employed for on site management of the Property.

10.11 What regulations have you made for the use and management of the Property that are not set out in the Tenancy Documents supplied?

10.11 None.

10.12 Please supply copies of any correspondence between you and any Tenant in relation to the Control of Asbestos Regulations 2012 or comparable predecessor regulations, together with copies of any surveys or assessments carried out by the Tenant in compliance with those regulations that have been supplied to the Seller.

10.12 None.

11. INSURANCE

11.1 Please state:

- (a) what proportion of the insurance costs for the Property is allocated to each Lettable Unit and how that proportion is calculated;
- (b) whether there has been any variation of this proportion for any Lettable Unit and whether any is contemplated;
- (c) whether there have been any disputes regarding the proportions payable; and
- (d) what sums in respect of insurance costs for the Property are due but currently unpaid.

11.1 (a) Please refer to the copy Tenancy Documents supplied.
(b) The proportions have not been varied and no such variation is contemplated.
(c) The Seller is not aware of any disputes.
(d) Please see the Schedule of arrears supplied in relation to enquiry 5.3.

11.2 What, if any, arrangements have been made to exclude the insurer's right of subrogation against any of the Tenants?

11.2 None.

12. TERMINATION OF TENANCIES

In relation to each current Tenancy:

- 12.1 Except where apparent from the Tenancy Documents supplied, please supply a copy of all notices, counter-notices, applications, claims, answers, requests or orders given or made pursuant to the 1954 Act.

12.1 None except those disclosed in the copy Tenancy Document provided.

- 12.2 Have any improvements been carried out to the Property that will be disregarded in assessing the rent payable on a renewal of the Tenancy pursuant to the 1954 Act?

12.2 Please refer to the details of any improvements disclosed in the copy Tenancy Documents provided.

- 12.3 Has any Tenant indicated formally or informally an intention to vacate?

12.3 No.

- 12.4 Are there any negotiations for the surrender, renewal or variation of any Tenancy and have any terms been agreed?

12.4 No.

13. DISPUTES, COMPLAINTS AND ENFORCEMENT

In relation to each current Tenancy:

Except as already disclosed in replies to CPSE.1, please give details of:

- (a) any disputes or complaints, whether or not resolved; and
- (b) any breaches or alleged breaches of covenant including details of any waiver whether express or implied.

13. (a) None so far as the Seller is aware.
(b) None so far as the Seller is aware.

The following statement does not form part of CPSE2

These replies, except in the case of any enquiry expressly requiring a reply from the Seller's solicitors, are given on behalf of the proposed Seller and without responsibility on the part of its solicitors, their partners or employees. The replies are believed to be correct but their accuracy is not guaranteed and they do not obviate the need to make appropriate searches, enquiries and inspections. Where the Seller confirms that it is not aware of any matter or makes any

expression as to its awareness, such enquiries have been made as the Seller or its advisors consider appropriate in the circumstances but there is no guarantee that all enquiries have been made which objectively should be made.

BOODLE HATFIELD LLP