

Commercial Property Standard Enquiries

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

Conditions

This document may be used free of charge subject to the Conditions set out in *GN/CPSE (version 3.3) Guidance notes on the Commercial Property Standard Enquiries* (www.practicallaw.com/3-628-1672).

Particulars

Seller: Searchgrade Limited

Buyer: TBC

Property: The Leasehold being 101 Warton Street, Lytham, St Annes, FY8 5DG

Transaction: Sale of Leasehold subject to tenancy.

Seller's solicitors: James Thomson, Structadene Group of Companies, 9 White Lion Street, London, N1 9PD

Buyer's solicitors: TBC

Date: 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 a 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 4-13) 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.

None so far as the Seller is aware.

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 currently expressing an interest in taking a Tenancy of it.

See response to 1.1.

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.

The Buyer should rely on its own inspection.

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.

See reply at 2.1.

3. RETAINED PARTS

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

None so far as the Seller is aware.

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

None so far as the Seller is aware, but no warranty is given.

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

Please see above.

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.

Please see tenancy documents enclosed.

4.2 Please supply a schedule of the current Tenancies of all 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.

See tenancy documents enclosed.

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) details of any applications for Consent made by the Tenant that are currently being considered.

(a) – (c) None as far as the Seller is aware, but no warranty is given.

5. RENT AND RENT REVIEW

In relation to each current Tenancy:

5.1 Please state:

- (a) the amount of the 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?

Please refer to the tenancy documents, tenancy schedule and rentbooks provided.

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

None as far as the Seller is aware save as disclosed as part of the tenancy documents and the tenancy schedule.

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

Please see enclosed rent book.

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).

- (a) Please refer to the tenancy documents disclosed.
- (b) Not applicable so far as the Seller is aware.
- (c) Please refer to the tenancy documents disclosed.

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.

None currently in negotiation so far as the Seller is aware.

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?

- (a) Please see the enclosed documentation for any relevant information.
- (b) Not as far as the Seller is aware.
- (c) Not as 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?

The Buyer must rely on own inspection and survey.

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 I of the Landlord and Tenant Act 1927.

The Buyer should refer to the tenancy documents and rely on its own inspection.

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?

Please refer to the documents provided.

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?

Not as 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.

Not applicable 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.

Not applicable so far as the Seller is aware.

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.

None so far as the Seller is aware but no warranty is given.

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

The Buyer should rely on the tenancy documents disclosed.

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 the 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.

There are no rent deposits.

- 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.

There are none as far as the Seller is aware.

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 there has been no release or discharge of any such third party, whether expressly or by operation of law.

Not applicable 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)?

No Service charge is operated at the Property.

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.

Not applicable.

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.

Not applicable.

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.

Not applicable.

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?

Please see documentation provided. There are no vacant units.

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

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

Please see rent book provided.

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

Not applicable.

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.

Not as far as the Seller has been notified.

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) any contracts for the provision of cleaning, security and other services at the Property; and
- (c) any contracts for the supply of gas, electricity, oil or other fuel to the Property.

Please see the documentation provided, if any.

10.10 Please give details of:

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

(a) Pearl and Coutts, 9 White Lion Street, London, N1 9PD.
(b) Not applicable.

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?

None so far as the Seller is aware.

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 any Tenant in compliance with those regulations that have been supplied to the Seller.

Please refer to the replies to CPSE 7.

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.

Please refer to the tenancy documents for any relevant information.

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

Please see the documentation provided.

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.

Please refer to the tenancy documents for any relevant information.

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?

Please refer to the tenancy documents for any relevant information.

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

Not as far as the Seller is aware.

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

Not as far as the Seller is aware.

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.

See replies to CPSE7.