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PLAIN-ENGLISH AUCTION LEGAL PACK REVIEW

12 Example Street, Sampletown, ZZ1 1ZZ

ENHANCED £39 REPORT | FICTIONAL ILLUSTRATIVE SAMPLE

ILLUSTRATIVE SAMPLE **THIS REPORT DOES NOT RELATE TO A REAL PROPERTY AND MUST NOT BE RELIED UPON**

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Bottom line

This fictional example shows how an enhanced report may identify a short lease, substantial auction charges, incomplete tenancy evidence, missing building insurance and a mismatch between the marketing floorplan and lease extent. The invented lease has about 57 years remaining and the illustrative special conditions add at least £5,580 to the purchase price before the buyer's own professional costs and uncapped liabilities.

The simulated planning record supports conversion of the building into two flats. However, the example rear yard is excluded from the ground-floor title and the small second bedroom weakens HMO or intensified-use potential. The clearest potential value issue is the short lease rather than an obvious development opportunity.

Council and statutory designations

Check	Fictional desktop finding
Local/planning authority	Sample Borough Council (fictional).
Heritage/landscape designations	No listed status, statutory Green Belt, conservation area, National Landscape, Article 4 or Green Belt designation identified for this fictional example.

Key fact	Illustrative position
Auction status	Unsold. Guide price £70,000. Tenants stated to remain.
Accommodation	Marketing describes 2 bedrooms; Bedroom 2 is only about 6.2 sq m.
Tenure	Leasehold title SAMPLE-LH-1001. Ground-floor flat only.
Lease	99 years from 1 January 1985; expires 31 December 2083; about 57 years remain.
Rent evidence	Incomplete notice proposes £725 per month from £650. Actual rent and arrears are unproved.
Completion deposit	20 business days. 10% deposit subject to a £7,000 minimum.
Known fixed additions	£5,580 plus a possibly additional online fee and uncapped amounts.

Overall observations

The example demonstrates that a low guide price or apparent rent does not establish value until the lease, contract costs, tenancy, insurance and physical extent are verified. It does not decide whether a property should be bought.

Sample date: 25 August 2026. All property, party, title, council, search and planning details in this document are invented.

1. Critical and material buyer risks

Significance	Issue	Plain-English impact
HIGH	Short lease - about 57 years	Likely to restrict mainstream lending and increase the importance and cost of a lease extension.
HIGH	At least £5,580 fixed charges	Charges sit on top of the price; a separate £2,400 online minimum may also apply.
HIGH	Seller/title chain incomplete	The sample registered proprietor differs from the contracting seller and the acquisition chain is absent.
HIGH	Tenancy evidence missing	No signed agreement, rent ledger, deposit evidence or full statutory-compliance bundle.
HIGH	No building insurance schedule	The lease requires joint-name insurance but no policy, premium or claims history is shown.
MEDIUM-HIGH	Area/layout discrepancy	Marketing states 61 sq m while the sample EPC states 49 sq m.
MEDIUM-HIGH	Small second bedroom	Approximately 6.2 sq m; affects usability, valuation and intensified HMO proposals.
HIGH	Completion default terms	A late-completion fee, high default interest and short notice procedure are simulated.
MEDIUM-HIGH	Rear yard excluded	The ground-floor flat has access/bin rights only, not ownership of the rear yard.
MEDIUM	Ground stability	Illustrative environmental search reports moderate natural ground-stability risk.

Risk levels describe the significance of verification required. They are not a recommendation to buy or not buy.

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2. Title, lease and extent of ownership

Illustrative leasehold title SAMPLE-LH-1001

The fictional official copy gives absolute title to the ground-floor flat and names Example Holdings Limited as proprietor. The illustrative contract names a different seller said to have acquired recently. No transfer, purchase contract, Land Registry application or replies to requisitions are included.

Title-chain verification	A conveyancer would need current official copies, the seller's identity and authority, the complete acquisition chain, priority evidence and a registrable completion arrangement.

Lease term and rent

The invented lease is dated 1 January 1985 for 99 years and expires 31 December 2083. Ground rent begins at £100 yearly, rises to £200 from 1 January 2025 and doubles every 20 years. A specialist should assess mortgageability, premium, statutory eligibility, valuation and freeholder engagement.

What the example title appears to include

Area/right	Illustrative lease position	Practical effect
Ground-floor flat	Included, with internal walls and services subject to lease wording.	Actual layout must match the lease title plans.
Front yard	Included subject to shared access.	Amenity space but route must remain unobstructed.
Rear yard	Reserved to the upper flat.	Not available for extension or private-garden value.
Rear access/bin	Passage and dustbin rights only.	A right is not ownership.
Roof/foundations	Repair costs shared equally between flats.	No reserve fund or condition report is supplied.

Important illustrative lease restrictions

Topic	Position
Use	Private dwelling occupied by one household; nuisance prohibited.
Alterations	Structural changes require freeholder's prior written consent.
Underletting	Whole-flat letting only; registration/consent position must be checked.
Repairs	Flat, walls, services and one-half roof/foundation costs.
Insurance	Joint names with freeholder for full reinstatement value.

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3. Tenancy, rent and landlord compliance

What is actually in the fictional pack

The special conditions state that the property is sold subject to a periodic tenancy. The simulated management bundle contains only an incomplete rent-increase notice proposing £725 in place of £650. The tenant name, tenancy start date, signature and rent period are absent.

Document/evidence missing	Why it matters
Signed tenancy agreement and written terms	Confirms tenant, rent, period, start date and landlord/tenant obligations.
Rent ledger and arrears statement	Proves income and quantifies any buyer liability linked to arrears.
Deposit protection evidence	May affect remedies and create exposure to tenant claims.
Gas safety, EICR and alarm records	Evidence of current landlord safety compliance.
EPC service evidence	Certificate alone does not prove required service on the tenant.
Licensing/enforcement reply	No official local search or licensing confirmation in the fictional pack.
Complaints and repair notices	Material where the buyer takes over management and repair duties.

Income should not be underwritten yet

£725 per month would equal £8,700 gross yearly and £650 equals £7,800, but neither figure is verified. Yield calculations would be misleading until purchase price, contract charges, lease extension, service/repair costs, insurance, arrears, tax, voids and management costs are known.

Buyer inherits the tenancy position — The example buyer should assume vacant possession is unavailable. Possession, rent increases and compliance require independent housing-law advice.

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4. Auction contract and buyer cost exposure

Fixed charges in the fictional special conditions

Fixed charge	Amount	Illustrative source/comment
Search contribution	£600	Payable although the search bundle is limited.
Transfer engrossment	£180	£150 plus VAT.
Buyer premium	£2,100	Contractual fixed payment.
Administration fee	£1,200	Separate contract charge.
Seller legal contribution	£1,500	No invoice promised.
Fixed subtotal	£5,580	In addition to purchase price.

Online fee conflict The fictional listing also states a 2% buyer fee with a £2,400 minimum. If additional to the £5,580 subtotal, known additions rise to £7,980. Written confirmation is required.

Illustrative acquisition totals before own costs

Agreed price	Price + £5,580	If £2,400 online minimum is additional
£65,000	£70,580	£72,980
£70,000	£75,580	£77,980
£75,000	£80,580	£82,980
£80,000	£85,580	£87,980

The totals exclude solicitor, survey, valuation, Land Registry, lender, insurance, removal, tax, works and lease-extension costs.

Uncapped or buyer-unfriendly provisions

Term	Illustrative effect
Rent arrears	Buyer pays seller an amount equal to tenant arrears, if any.
Historic lease charges	Buyer reimburses seller-period ground/service charges.
Risk/insurance	Property at buyer's risk from exchange.
Late completion	£1,000 fee plus 8% above base rate and legal-notice costs.
Seller delay	Seller may defer completion by 10 business days without compensation.
Enquiries	Post-contract replies may be chargeable and cannot delay completion.

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5. Searches, utilities and physical due diligence

Search topic	Fictional result	Practical impact
Flooding	Low overall	Still confirm insurability, previous events and ground-floor resilience.
Natural ground stability	Moderate	Surveyor should inspect cracking, movement and nearby ground works.
Contaminated land	Passed	No significant simulated Part 2A concern.
Radon	Passed	Illustrative local levels normal.
Planning constraints	None identified	Not a substitute for official LLC1/CON29.
Drainage	Mains foul/surface indicated	Public sewer shown within 30 m; route/capacity not verified.
Water	Mains supply indicated	No adopted main shown within the title boundary.
EPC	C 71; 49 sq m	Conflicts with marketing plan stated 61 sq m.

Important due-diligence gaps

Gap	Why it matters
No official LLC1/CON29	Highways, local charges, enforcement, notices and detailed planning entries remain unconfirmed.
No management/freeholder reply	Ground rent, breaches, planned works, fees, disputes and insurance approval are unknown.
No insurance policy	Lease obligation and premium/claims position cannot be verified.
No measured survey	Condition, movement, roof/foundation liability and layout are unknown.
No title overlay	61/49 sq m discrepancy and common areas require measurement.

Physical inspection remains essential A desktop report cannot identify damp, structural movement, roof defects, services, fire separation, infestation or unauthorised physical changes.

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6. Planning and development potential

Fictional planning position

For illustration, Sample Borough Council is assumed to record a 1987 approval for conversion of the house to two self-contained flats. The decision notice and approved drawings are not supplied, so conditions and physical compliance remain unverified.

Current layout and bedroom issue

The fictional marketing plan labels two bedrooms. Bedroom 2 is approximately 2.10 m x 2.95 m, around 6.2 sq m. Its size would affect usability and intensified/HMO proposals even where an existing C3 use may continue.

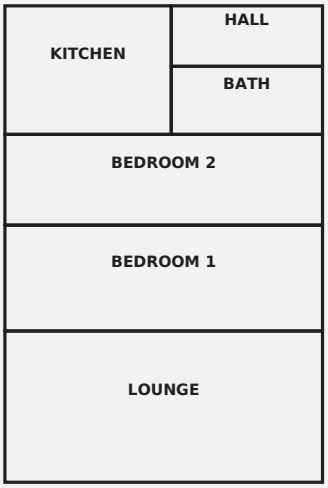
Option	Planning/title assessment	Professional view
Retain existing 2-bed flat	Historic conversion assumed approved; verify layout and conditions.	MODERATE existing-use potential; small room affects value.
Reconfigure to 1-bed + study	Non-structural changes may not need planning; consent/Building Regulations may apply.	MODERATE practicality; may improve quality.
Rear extension	No normal householder PD for flats; yard excluded from title.	LOW without new legal rights and full consent.
Room-by-room/HMO	One-household lease covenant; small bedroom; licensing/planning may apply.	VERY LOW under current lease/layout.
Additional self-contained unit	Conflicts with single-flat demise, covenant and space.	VERY LOW.
Lease extension/freehold route	Not planning development but central to value.	HIGH relevance; cost/outcome unverified.

Planning conclusion The fictional two-flat use has historic support, but physical expansion is limited by lease boundaries and flat permitted-development rules. The lease term is more significant than an obvious planning uplift.

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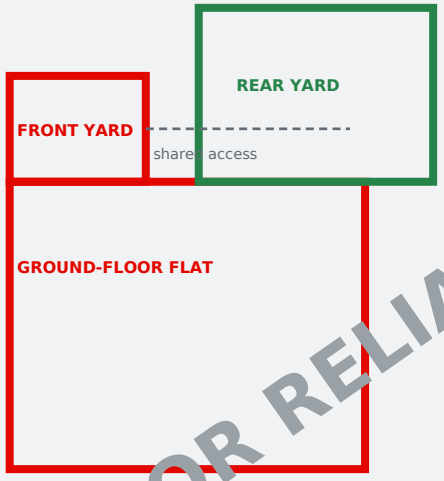
7. Plan evidence and site checks

Illustrative marketing floorplan



Stated area: 61 sq m | EPC: 49 sq m

Illustrative lease plan



Red: sample demise | Green: excluded rear yard

What must be checked on site

Check	Reason
Overlay lease plan, title plan and actual walls/doors	The contract may transfer discrepancy risk to the buyer.
Measure net and gross internal area	The fictional EPC says 49 sq m while marketing says 61 sq m.
Identify exclusive/shared entrances	The upper flat may have rights through common areas.
Confirm front/rear garden use	Occupation or fencing does not change registered ownership.
Compare against approved drawings	Current openings, bathrooms, walls and fire separation may differ.
Inspect fire/acoustic separation	The simulated conversion predates modern standards.

Both diagrams are newly drawn fictional illustrations. They are not copied from or connected with any real legal pack or property.

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8. Matters requiring verification before agreeing a price

Priority	Action	Evidence/outcome required
1	Title and seller authority	Current official copies, seller identity, acquisition documents and registrable transfer.
2	Lease-extension valuation	Specialist premium, costs, timing, lender acceptance and freeholder engagement.
3	Full completion statement	All fixed/online fees, VAT, arrears, lease charges and landlord costs.
4	Tenancy audit	Signed terms, tenant identity, rent period, ledger, arrears, deposit and notices.
5	Landlord compliance	Gas, electrical, alarms, EPC service, licensing and repair/enforcement record.
6	Freeholder reply	Ground rent, breaches, consents, works, disputes, insurance and notice fees.
7	Insurance quote	Compliant policy, premium, excess, claims and reinstatement value.
8	Measured survey/plan overlay	Confirm demise, common parts, area difference and yard rights.
9	Building survey	Structure, damp, roof/foundation, drainage, services and flat separation.
10	Planning/local search	Decision notice, conditions, approved plans, LLC1/CON29 and later works.

Final observations

HIGH SIGNIFICANCE - FICTIONAL MATERIAL UNKNOWNS	This sample illustrates how a short lease, unverified seller chain, large contract charges, incomplete tenancy evidence, missing insurance and floor-area discrepancies may materially change value.

This sample identifies issues and potential only. It does not advise any person to buy, not buy, bid or offer a sum. The decision whether to proceed and at what price always rests with the prospective buyer after independent advice.

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9. Illustrative documents and disclaimer

Simulated legal-pack contents

Fictional document	Illustrative purpose
Special Conditions of Sale	Demonstrates completion, fees and buyer-risk provisions.
Leasehold title SAMPLE-LH-1001	Demonstrates proprietor/title-chain review.
Freehold title SAMPLE-FH-1001	Demonstrates freeholder and charge checks.
Lease and plans dated 1 January 1985	Demonstrates term, demise, repairs, insurance and covenants.
Environmental search	Demonstrates flood, ground, radon and contaminated-land review.
Drainage and water search	Demonstrates public connections and mapping limitations.
EPC	Demonstrates rating/area comparison.
Management bundle	Demonstrates tenancy and compliance gaps.

Selected guidance examples

Source type	What a live £39 report may check
Auction listing	Guide, status, accommodation, fees, deposit and completion.
Relevant council portals	Planning history, statutory designations and building control entries.
GOV.UK leasehold guidance	Lease-extension and short-lease context.
Current housing guidance	Tenancy, rent and possession framework.
Current tax guidance	Residential transaction-tax context for solicitor confirmation.

Important sample disclaimer

This entire document is fictional. The address, postcode, title numbers, parties, lease, tenancy, prices, costs, searches, council, planning history and plans were invented solely to demonstrate the appearance and general scope of Active Architecture's £39 Enhanced Legal Pack Review. No real property or person is described.

It must not be relied upon for bidding, purchase, conveyancing, valuation, surveying, finance, tax, insurance, tenancy or planning decisions. A live report is a limited desktop risk summary, not a solicitor's report on title, legal opinion, building survey or guarantee that every issue has been found. A prospective buyer must obtain independent professional advice before exchange or bidding.

The report fee does not include ongoing questions, additional documents, further research or clarification. Legal/title queries must be directed to the buyer's conveyancer. An apparent factual or document-handling error in a commissioned report may be notified to enquiries@activearchitecture.co.uk; additional review is outside scope unless agreed.

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