



Lime Consultancy  
MAKING BUSINESS FINANCE SIMPLE

# Case Study Commercial Investment Property Purchase

## Commercial Investment Property Purchase

A restaurant owner was introduced to us as they wanted to start buying commercial property to let out. The long term plan was to have an option of expanding the trading business into the new premises.

The purchase was straightforward on paper, the case proved to anything but.

The commercial property had flats on the three floors above, all these were on long leaseholds. The commercial property owned the freehold.

Where a freehold is being sold the new purchaser must advise the other leaseholders and allow them a period to consider a rival purchase.

The property had been valued satisfactorily and the mortgage had been agreed.

What happened was a series of legal issues including;

- Notices to leaseholders not being done correctly three times
- The existing maintenance agreement between leaseholders was not properly completed
- The existing lease to the commercial tenant was incorrectly completed

As a result of these issues the purchase was delayed. The valuation expired and the mortgage offer ran out of date.

We did the following;

- Obtained a letter of update from the valuer to prevent a second valuation being required
- Worked with the client's solicitor to get correct maintenance and tenancy agreements completed
- Advised the mortgage lender each step of the way so they continued to hold open their mortgage offer

This case finally completed 366 days after we started. It was the longest running case we have had.

What this proved was that even though issues arose we will work with every party involved to make things happen. Our relationship with lenders enables us to obtain flexibility when things go wrong.

## This case was completed in May 2016