

# **Schedule of Condition What Should I Expect?**

We market the services of independent Surveyors. Surveyors pride themselves on a high standard of work. We can offer Schedules of Condition with regard to Leases, Property Reports, Schedules of Dilapidations, Section 18 Valuations, Scott Schedules, Commercial Building Surveys, Structural Reports, Specific Defects Reports. Note these are not for bank lending but are to advise you how much we feel the property is really worth. If you have a property problem we may even already have written an article on it and we would refer you to the many articles we have on our home page [1stAssociated.co.uk](http://1stAssociated.co.uk). Please Free phone us on 0800 298 5424 and a surveyor will call you back.

## **Schedule of Condition defined**

A Schedule of Condition is a way for the tenants to record the condition of the property when they enter it at the start of their Lease, or extension of their Lease. It ideally should be appended to the Lease document and agreed with the landlord to be fully valid (this of course needs to be agreed with the landlord and the tenant's solicitors). We also feel a Schedule of Condition where the landlord refuses to append it to the Lease will have value providing that your solicitor serves it by registered post and that you have letters saying that he has served it. We can see no disadvantage in sending such a document. If there are any solicitors reading this that can think of a disadvantage please phone us and explain why.



## **No standard format for a Schedule of Condition**

A Schedule of Condition is very much like buying a car. They will all get you from A to B but depending on what car you get, the quality of ride and protection should anything go wrong, varies considerably and all these different levels of quality have varying costs. This is very much the same with a Schedule of Condition, although you won't know the quality of the Schedule of Condition until it comes to be used in many years time, but we would make the comment that no matter what the quality of the Schedule of Condition it can certainly give a better place to start from than nothing at all.

## **What to expect in a bad Schedule of Condition**

Unfortunately to be able to spot a bad Schedule of Condition easily you would normally have had to have experience of them. This is not normally an experience that a tenant has had, however if you talk to a specialist surveyor or ask them exactly what they will put into a Schedule of Condition you will start to get an idea. It is very much about having a systematic approach so that all items are picked up with photos included. We would always recommend that you ask to see a copy of a schedule they have carried out recently on a similar type of property.

## **So what would we expect in a bad Schedule of Condition?**

We would be looking for inconsistencies in the way each area has been reported, since inconsistencies can be as basic as missing detail, for example the walls in one area but covering it in another, and it can also be in the depth and level of detail. If this varies, for example with one section of the report being very detailed and another being almost cursory, then the lack of experience of the person producing the schedule starts to show. Also, by using photography, possibly even sketches, to show and identify any areas of concern to alert us to the schedule being from the poorer schedule.

## **What to expect in a good Schedule of Condition**

We have seen many different types and styles of schedules of conditions over the years and our favourite format, which we feel is of most use to the tenant, is the format we use and this is as follows.

We carry out an objective review of each element of the property externally with its condition. We then carry out an external review of the property elevation by elevation to reiterate its condition and also to ensure that we haven't missed any areas and should the day come when there are negotiations or discussions with regard to the Schedule of Condition it can be identified and what elevation the issue was. We then go through room by room working through:

1. Ceilings
2. Walls
3. Floors

4. External joinery
5. Services, etc.

identifying the condition in each being consistent about the way we describe the condition. We utilise digital photography as often as picture is worth a thousand words.

## **What is in a really good Schedule of Condition?**



What's in a really good Schedule of Condition is the identification of both the cause and the effect of any problems. For example, where there is ivy growing up a downpipe and you can see that there will be future problems this needs to be presented as that within the Schedule of Condition.

Also, we find that those that understand the dilapidations game tend to make a general (but true) comment, which can be much better than a specific comment. This is for various reasons, for example, where you comment that there are three tiles that are cracked you may have missed some, whereas if you say approximately 10% of the roof tiles are cracked, which will cause dampness in the near future, this can in fact be more accurate and then allow the landlord's surveyor to advise you that it is actually three tiles with no future consequence. In the case of a Schedule of Condition sometimes more general comments can be of benefit to your client, the tenant, putting the landlord in the position of having to negotiate with you. However, we find that in many cases the landlord doesn't negotiate at all and the general comments stand. Finally, we would expect in a really good Schedule of Condition a signature panel; more about this in the next section of this article.

## **Schedule of Condition signature panel**

At the end of the Schedule of Condition there should be a signature panel for both the landlord and the tenant to sign and this forms part of the Lease. You should ensure that it is signed, or to be more exact, your solicitor should ensure that it is signed.

## **What if the Lease won't accept a Schedule of Condition?**

Is it worth having a Schedule of Condition if the solicitors say the landlord won't accept one? First of all, everything is negotiable. If you insist upon a Schedule of Condition then you will find that many landlords will eventually accept it. Interestingly, the people that insist most on a Schedule of Condition tends to be the experienced businessman that has had dilapidations served on him in the past.

The ideal situation is where the Schedule of Condition is attached legally to the Lease and therefore forms a record of the property's condition at the start of the Lease. However, it can be argued that it is worth having a Schedule of Condition even if the landlord doesn't allow the schedule to become part of the Lease agreement. This is because in years to come it will give a good record of the condition of the property. Remember in years to come the landlord may well have sold the investment onto another landlord, or it may have been sold on several times, when all the parties that were originally involved in the transaction have moved on and you the tenant are the only person that knew the real condition of the property. We have heard so many times where the Leaseholder has said that the property was in a horrendous condition when they took it on and they have improved it and they still had a schedule of dilapidations served upon them. This is because they needed a Schedule of Condition in place.

If you need help and advice with regard to Leases, dilapidations, schedules of condition, dilaps claims, Scotts Schedules or any other matters please call 0800 298 5424 for a friendly chat. Please note we are independent surveyors. If you would like Dilaps Help then please visit our [www.DilapsHelp.com](http://www.DilapsHelp.com) website and for Disputes go to our Disputes Help site [www.DisputesHelp.com](http://www.DisputesHelp.com).

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