

APPENDICES

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INSPECTION

Our inspection has been specifically related to the Dilapidations issues detailed below:

Visual Inspection

Our inspection has taken the format of a visual inspection:

External

1. External of the property of the

Public House

- 1.1 Front
- 1.2 Rear
- 1.3 Sides

We have had the benefit of a x 16 lens on a digital camera

Internal

2. Internal of the property

We have viewed:

Public House

- 2.1 Ground floor
- 2.2 First floor

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CONSTRUCTION SUMMARY

External

Chimneys:	Brick
Main Roof:	Pitched, clad with tiles
Roof Structure:	Timber frame
Gutters and Downpipes:	Cast Iron and Plastic
Soil and Vent Pipe:	Internal
Walls:	Timber frame with render finish (assumed)
External Detailing:	Timber windows
Foundations:	Not inspected

Internal

Ceilings:	Lath and plaster / plasterboard Plastic cladding to kitchen
Walls:	Solid and hollow
Floors: Ground Floor:	Concrete
First Floor:	Joist and floorboards with embedded timbers (assumed)

We have used the term 'assumed' as we have not opened up the structure.

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Time Line – A brief history of the structure

This has been based upon discussions with XXX on the date of the inspection and a telephone conversation on XXX.

DATE	DESCRIPTION
XXX	Start of original lease
XXX	Painted as part of refurbishment
XXX	Painted as part of ongoing work
XXX	Interim Schedule of Dilapidations served
XXX	Further Schedule of Dilapidations served

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REQUESTS FOR INFORMATION

Landlord's Surveyor

Insist upon the Full and Final Dilapidations being served as soon as possible.

Note: many surveyors reserve the right to add and amend to the Dilapidations claim.

Client

Client has provided:

1. A copy of the lease
2. A Schedule of Interim Dilapidations priced and unpriced.
3. Various letters from the brewer/property owners.

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CONTACT INFORMATION

XXX

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Example of Scotts Schedule

If we had more time we would negotiate using what is known as a Scotts Schedule. If this goes to a monetary solution this is what we would suggest that we do.

Here is an example of it:

Item	Location/Element	Lease Covenant	Break of Requiring Covenant	Essential Works Required	Landlords Costs	Tenants Comments	Tenants Costs
	<u>Transmission</u>						

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DILAPIDATIONS TERMS IT WOULD BE BENEFICIAL TO KNOW

Interim Dilapidations

This is a Dilapidations served usually before the end of a lease and can be subject to further amendments.

Final Dilapidations

This should, in theory, be the last Dilapidations served. Usually these are served once the lease has come to an end.

Inherent defects

These defects are inherent in the property.

Schedule of Condition

A Schedule of Condition is a photographic record of the property that should be carried out when you first take on the lease. In this case we are advised that one wasn't carried out.

Section 18 Valuation

This is used at the end of a lease if the Dilapidations is unacceptably onerous and it meets various conditions. A Section 18 Valuation is the difference between what the property would be leased at and what its capital value would be if every clause of the lease was put into operation (i.e. everything was good) and what it would lease at and the capital value (because they are related) if it was given back in a condition you intend to give it back in known as diminution in value.

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We would be looking for these to be so close that the landlord would not wish to go to court over the matter. Indeed we would be giving the landlord back a building that they could rent if the market was there to rent at the levels they wish to rent at.

It's not just about your liability for the building; you also have a liability for the surrounding area.

Supercession

This is where repair work is being carried out to a property that will mean that any Dilapidations work is no longer valid.

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Negotiations with the Landlord/Landlords Surveyor

As part of our Strategic Dilapidations advice we usually make three telephone calls/letters/emails to the landlord's surveyor to gauge however in this case there is so little time.

If we carry out negotiations we will work along the following lines:

- 1.0) Their knowledge of Dilapidations
- 2.0) Check if the surveyor dealing with the Dilapidations claim is the same surveyor that has visited the property.
- 3.0) Check that the landlord's surveyor has had full information with regard to the lease and the Schedule of Condition.
- 4.0) We would check and confirm the level of authority the landlord's surveyor has to negotiate and also get to understand their negotiation skills level.
- 5.0) We would also at the outset see if the landlord's surveyors are willing to accept a Full and Final Settlement offer.
- 6.0) Any other factors that could be utilised.

Things that we always remind Landlords of

- 1.0) Landlords are not allowed to make a profit with a Dilapidations claim and genuinely should carry out the work that is being claimed for.
- 2.0) We remind the landlord if they are renting out the property to a tenant who can use the property in the condition that it has been returned from the lease in it they have not suffered a loss.
- 3.0) We also remind the landlord that if the new tenant or indeed the landlord intends to make major alterations to the property then again they cannot claim of loss.

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- 4.0) We also make the landlord aware that we will consider Section 18 Valuations, which is also known as diminution in value. This is where the repair liability (of the covenant) is limited by the difference between value of the property with the repairs carried out and the value of the property without the repairs carried out.

We have spoken to a Diminution Valuation Surveyor with regard to this property and await his comments with regard to Valuation and approximate costs.

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LETTERS YOU NEED TO WRITE/EMAIL

AS SOON AS POSSIBLE

(you do need to have written evidence)

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Your headed paper

EMAIL/LETTER TO LANDLORD

Dear Sirs,

Public House, Bedfordshire

We will be carrying out work as per the Interim Dilapidations Schedule. We would ask that you provide a Final Dilapidations Schedule as soon as possible. We are writing this with only a few weeks to go on the lease so we would ask you to give this your urgent attention. We intend to be carrying out works and invite you to our site meetings at XXX on the following dates:

XXX

We look forward to meeting you. If these dates are difficult for you for whatever reasons, we would be more than happy to meet you at an agreed time and place.

Yours faithfully

???

For and on behalf of

XXX

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Your headed paper

EMAIL/LETTER TO LANDLORDS SURVEYOR

Dear Sirs,

Public House, Bedfordshire

We will be carrying out work as per the Interim Dilapidations Schedule. We would ask that you provide a Final Dilapidations Schedule as soon as possible. We are writing this with only a few weeks to go on the lease so we would ask you to give this your urgent attention. We intend to be carrying out works and invite you to our site meetings at XXX on the following dates:

XXX

We look forward to meeting you. If these dates are difficult for you for whatever reasons, we would be more than happy to meet you at an agreed time and place.

Yours faithfully

???

For and on behalf of
XXX

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Your headed paper

**EMAIL/LETTER TO BE SENT A FEW DAYS AFTER
SENDING THE ORIGINAL LETTER IF NO
RESPONSE**

Dear Sirs,

Public House, Bedfordshire

Further to our letter dated ??????? we haven't as yet had a response from you.
We wish you to attend our site meetings at XXX on the following dates:

XXX

We look forward to hearing from you as soon as possible.

Yours faithfully

???

For and on behalf of
XXX

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LIMITATIONS

Strategic Dilapidations Report

1. Conditions of Engagement

Please note: references to the masculine include, where appropriate, the feminine.

Subject to express agreement to the contrary (which in this particular case has been none) and any agreed amendments/additions (of which in this particular case there have been none), the terms on which the Surveyor will undertake the Strategic Dilapidations Report are set out below.

Based upon a visual inspection as defined below the Surveyor will advise the Client by means of a written report as to his opinion of the visible condition and state of repair of the specific problem or problems only. In this instance in relation to a Dilapidations claim.

2. The Inspection

2.1 Accessibility and Voids

The Surveyor will base this report on a visual inspection and accordingly its scope is limited. It does not include an inspection of those areas, which are covered, unexposed or inaccessible. Our visual inspection will relate to the specific defects shown to us only.

a. Floors

We have not opened up the floor structure. We have only carried out a visual inspection and any conclusions will be based upon our best assumptions.

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2.3 Roofs

The Surveyor has not inspected the roofs on the initial inspection.

2.4 Boundaries, Grounds and Outbuildings

The Surveyor has not inspected boundaries including the grounds and outbuildings unless specifically stated (none stated).

2.5 Services

No services inspected.

2.6 Areas not inspected

The Surveyor will have only inspected those areas identified within the report. His report will be based upon possible or probable defects based upon what he has seen together with his knowledge of that type of structure. If you feel that any further areas need inspection then please advise us immediately.

2.7 Strategic Dilapidations Report

As this is a report upon a Strategic Dilapidations we do not offer any comment or guidance upon reactive maintenance and/or planned or routine maintenance items.

2.8 Whilst we have used reasonable skill and care in preparing this report, it should be appreciated that the Chartered Surveyors cannot offer any guarantee that the property will be free from future defects or that existing defects will not suffer from further deterioration;

3. Deleterious and Hazardous materials

Unless otherwise expressly stated in the Report, the Surveyor will assume that no deleterious or hazardous materials or techniques have been used in the construction of the property. However the Surveyor will advise in the report if in his view there is a likelihood that high

alumina cement (HAC) concrete has been used in the construction and that in such cases specific enquiries should be made or tests carried out by a specialist.

4. Contamination

The Surveyor will not comment upon the existence of contamination as this can only be established by appropriate specialists. Where, from his local knowledge or the inspection he considers that contamination might be a problem he should advise as to the importance of obtaining a report from an appropriate specialist.

5. Consents, Approvals and Searches

- 5.1 The Surveyor will assume that the property is not subject to any unusual or especially onerous restrictions or covenants which apply to the structure or affect the reasonable enjoyment of the property.
- 5.2 The Surveyor will assume that all bye-laws, Building Regulations and other consents required have been obtained. In the case of new buildings and alterations and extensions, which require statutory consents or approval the Surveyor will not verify whether, such consents have been obtained. Any enquiries should be made by the Client or his legal advisers.
- 5.3 Drawings and specifications will not be inspected by the Surveyor. It is the Clients responsibility to forward any drawings and specifications that he has or knows the whereabouts of to us to include information in our report. If these are not forthcoming we will make our best assumptions based upon the information available.
- 5.4 The Surveyor will assume that the property is unaffected by any matters which would be revealed by a Local Search and replies to the usual enquiries or by a Statutory Notice and that neither the property nor its condition its use or intended use is or will be unlawful.

6. Fees and Expenses

The Client will pay the Surveyor the agreed fee for the Report and any expressly agreed disbursements in addition.

7. Restrictions on Disclosures

- 7.1 This report is for the sole use of the Client in connection with the property and is limited to the current brief. No responsibility is accepted by the Chartered Surveyors if used outside these terms.
- 7.2 Should any disputes arise they will be dealt with and settled under English law;
- 7.3 This report does not fall under the Third Parties Rights Act.

8. Safe Working Practices

The Surveyor will follow the guidance given in Surveying Safely issued by the Royal Institution of Chartered Surveyors (RICS).

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