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**DUE DILIGENCE PACK**

**LEASE OPTION**

PROPERTY DETAILS (Step 1)

|  |  |
| --- | --- |
| **Property Address**  **URL Link for property**  **Property Type**  **Tenure**  **Option Price**  **Option Length**  **Purchase Price**  **Number of bedrooms**  **If SA, nightly rates**  **If HMO, rate per room**  **If BTL, rental pcm**  **Estimated costs pcm**  **Estimated income pcm**  **Estimated monthly profit**  **Estate or Lettings Agent**  **Comparable 1**  **Comparable 2**  **Comparable 3** | [insert address here]  [insert URL link here]  [house, flat, maisonette, etc.]  [Freehold or Leasehold (and length of lease)]  [insert price of Option]  [insert length of Option lease]  [insert purchase price here]  [insert number of bedrooms]  [insert nightly rate]  [insert rate per room pcm]  [insert rate pcm]  [insert estimated monthly costs]  [insert estimated monthly income]  [insert estimated monthly profit]  [Insert agent’s details here]  insert url]  [insert url]  [insert url] |

PURPOSE OF THE DEAL (STEP 2)

|  |  |
| --- | --- |
| **DELETE AS APPROPRIATE:** | * I am selling the deal via deal connect * I am selling the deal myself * I am not selling the deal |

DEAL VIABILITY (STEP 3)

|  |  |
| --- | --- |
| 1. **AGREED PRICE IS THE SAME OR LESS THAN CURRENT VALUE** | CURRENT VALUE: £  AGREED PRICE: £ |
| 1. **AGREED PRICE IS 1-9%**   **OF CURRENT VALUE** | CURRENT VALUE: £  AGREED PRICE: £ |
| 1. **AGREED PRICE IS 10-19%**   **OF CURRENT VALUE** | CURRENT VALUE: £  AGREED PRICE: £ |
| 1. **AGREED PRICE IS 20-39%**   **OF CURRENT VALUE** | CURRENT VALUE: £  AGREED PRICE: £ |
| 1. **AGREED PRICE IS 40% HIGHER THAN CURRENT VALUE** | CURRENT VALUE: £  AGREED PRICE: £ |

DUE DILIGENCE (STEP 4)

Question 1 – Property Viewing

|  |  |
| --- | --- |
| **Answer 1 b** | **Evidence that a professional has viewed the property on your behalf**  (e.g. screenshot of email or message)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 1 c** | **Evidence that you viewed the property yourself**  (e.g. photo, video or proof of appointment)  **[INSERT EVIDENCE HERE]** |

Question 2 – Landlord Identity

|  |  |
| --- | --- |
| **Answer 2 a** | **Evidence of the landlord’s identity**  (e.g. a copy of the Title Deeds)  **[INSERT EVIDENCE HERE** |

|  |  |
| --- | --- |
| **Answer 2b** | **Evidence of landlord’s identity is with the Estate Agent**  (e.g. email from Estate Agent that the named landlord owns the property)  **[INSERT EVIDENCE HERE]** |

Question 4 – Purchase Price

|  |  |
| --- | --- |
| **Answer 4 a** | **Evidence that you have agreed the purchase price**  (e.g. email from landlord or estate agent)  **[INSERT EVIDENCE HERE]** |

Question 5 – Current Value

|  |  |
| --- | --- |
| **Answer 5 a** | **Evidence of the property’s current value**  (e.g. official valuation, estate agent’s written quote, or recent like-for-like comparables)  **[INSERT VALUATION OR AGENT’S QUOTE HERE]**  **OR**  **Comparable 1: URL**  **Comparable 2: URL**  **Comparable 3: URL** |

Question 6 – Consideration Fee (Option Price)

|  |  |
| --- | --- |
| **Answers 6a, 7b, 7c & 7d** | **Evidence that you have agreed a Consideration Fee of either:**   1. **£1** 2. **Less than 5% of purchase price** 3. **5-10% purchase price** 4. **Over 10% purchase price**   (e.g. email from landlord or estate agent)  **[INSERT EVIDENCE HERE]** |

Question 7 – Term Length

|  |  |
| --- | --- |
| **Answer 7b, 7c, 7d** | **Evidence of the agreed term length of either:**  **b. less than 2 years**  **c. 2-4 years**  **d. over 5 years**  **[INSERT EVIDENCE HERE]**  (e.g. email from landlord or estate agent) |

Question 8 – Agreed Monthly Fee

|  |  |
| --- | --- |
| **Answers 8 b c and d** | **Evidence of agreed monthly fee and whether it:**   1. **costs nothing** 2. **covers the cost of the landlord’s mortgage** 3. **equals market rent or more**   **[INSERT EVIDENCE HERE]**  (e.g. email from landlord or estate agent) |

Question 9 – Landlord’s Mortgage & Insurance

|  |  |
| --- | --- |
| **Answers 9 a** | **Confirmation from the Landlord that they will not be in breach of their own mortgage or insurance agreements**  (e.g. confirmed in the contract)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answers 9 b** | **Confirmation from the Landlord that they will not be in breach of their own mortgage or insurance agreements**  (e.g. email only)  **[INSERT EVIDENCE HERE]** |

Question 10 – does not require DD

Question 11 – Article 4 (SA)

|  |  |
| --- | --- |
| **Answer 11b and 11c** | **Evidence that you have researched whether or not the property falls within an Article 4 area where planning permission may be required to run a property as serviced accommodation** (e.g. use the Article 4 Map <https://www.samuelleeds.com/online/article-4-search/>) and either   1. the property has grandfather rights; or 2. you have factored in the time and cost of obtaining planning permission to run the property as SA   **[INSERT EVIDENCE HERE]** |

Question 12 – Head Lease Restrictions (SA)

|  |  |
| --- | --- |
| **Answer 12 a** | **Evidence that you have seen the Head Lease and there are no restrictions**  (e.g. copy of the Head Lease)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 12 b** | **Evidence that the Head Lease has no restrictions from the landlord or agent**  (e.g. email from landlord or agent)  **[INSERT EVIDENCE HERE]** |

Question 13 – Comparables (SA)

|  |  |
| --- | --- |
| **Answer 13 a, b and c** | **Evidence of comparables showing nightly rates and occupancy rates**  **Comparable 1: URL**  **Comparable 2: URL**  **Comparable 3: URL**  **[** |

Question 14 – Property Classification (HMO)

|  |  |
| --- | --- |
| **Answer 14 a, b or c** | **Evidence of the property classification (C,3, C4 or Sui Generis)**  (e.g. screenshot from local authority or estate agent)  **[INSERT EVIDENCE HERE]** |

Question 15 – Room Sizes (HMO)

|  |  |
| --- | --- |
| **Answer 15a** | **Evidence that you have measured the room sizes yourself**  (e.g. your measurements)  **[INSERT EVIDENCE HERE]** |

Question 16 – Article 4 (HMO)

|  |  |
| --- | --- |
| **Answer 16 a** | **Evidence that the property is not in an Article 4 area**  (e.g. screenshot from local authority map or other source)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 16b** | **Evidence that the property has grandfather rights and certificate of lawfulness**  (e.g. screenshot from local authority map or other source)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 16 c** | **Evidence that the property is not in an Article 4 area but it may be coming soon**  (e.g. screenshot from local authority map or other source)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 16 d** | **Evidence of costs and timescale of obtaining planning permission**  (e.g. screenshot of costs and calculations from planning consultant)  **[INSERT EVIDENCE HERE]** |

Question 17 – HMO Status (HMO)

|  |  |
| --- | --- |
| **Answer 17 a** | **Evidence that the property is currently run as an HMO**  (e.g. estate agent confirmation, landlord confirmation)  **[INSERT EVIDENCE HERE]** |

Question 18 – HMO Licence (HMO)

|  |  |
| --- | --- |
| **Answer 18 a** | **Evidence of HMO licence**  (e.g. screenshot and URL of licence from local authority website)  **[INSERT EVIDENCE HERE]** |

Question 19 – Demand (HMO)

|  |  |
| --- | --- |
| **Answers 19 a, b, c and d** | **Evidence of Demand**   1. **Strong** 2. **Moderate** 3. **Emerging** 4. **Low**   (e.g. screenshots from HMO managers’ opinion in writing, and screenshots of demand from platforms such as spareroom.co.uk, propertymarketintel.co.uk, etc.)  **[INSERT EVIDENCE HERE]** |

Question 20 – Estimations of Rental (HMO)

|  |  |
| --- | --- |
| **Answers 20 a** | **Estimate of rental from HMO Manager confirming address and rental estimates** (e.g. screenshots of HMO managers’ opinion in writing)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answers 20 b** | **Evidence of recent HMO rentals within the same estate and of the same size** (e.g. screenshots from spareroom.co.uk, propertymarketintel.co.uk, etc)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answers 20 c** | **Evidence of recent similar HMO rentals but not quite like for like (further away, different type of estate)** (e.g. screenshots from spareroom.co.uk, propertymarketintel.co.uk, etc)  **[INSERT EVIDENCE HERE]** |

Question 21 – Estimations of Rental (BTL)

|  |  |
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| **Answers 21 a** | **Evidence of estate agent confirming address and rental estimates**  (e.g. screenshots of estate agent email)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answers 21 b** | **Recent evidence of similar properties within same estate and of same size renting at estimated rental price** (e.g. screenshots from spareroom.co.uk, propertymarketintel.co.uk, etc)  **[INSERT EVIDENCE HERE]** |

Question 22 – Monthly profit

|  |  |
| --- | --- |
| **INCOME/OUTGOINGS** | **AMOUNT (£)** |
| **MONEY UPFRONT**  Option fee:  Deposit:  Rent upfront:  Refurb costs:  Other: | £  £  £  £  **£** |
| **MONTHLY COSTS**  Rent:  Council tax:  Utility bills:  Broadband:  TV:  Maintenance costs:  Management costs:  Insurance:  Cleaning:  Voids:  Other: | £  £  £  £  £  £  £  £  £  £  £ |
| **INCOME PER MONTH:** | **£** |
| **PROFIT PER MONTH:** | **£** |
| **PROFIT PER YEAR:** | **£** |

Question 23 – Refurbishment

|  |  |
| --- | --- |
| **Answer 23 b and c** | **Evidence of refurbishment costs**  (e.g. Quote My Refurb report or builder’s quotes)  **[INSERT EVIDENCE HERE]** |