

Leasehold lease report

Unedited sample. This is the output exactly as Counsel AI returned it. The document it read was written for testing; it is not a client document.

Workflow	Leasehold lease report
Run on	14 October 2026
Model	claude-opus-5-5
Quote check	10 of 10 quotations found word for word in the lease
[verify] tags	21
Statute links	14 provisions linked to legislation.gov.uk

Draft for solicitor review

Buyer-ready summary

- **RED FLAG: the lease forbids selling the flat.** Clause 5 is an absolute ban on assigning (selling or transferring) the lease. Without the landlord's written consent or a formal variation, the transfer to you would be a breach of the lease. No mortgage lender is likely to accept this.
- **RED FLAG: you would be responsible for repairing and insuring the whole building.** Clause 4 makes the flat owner repair "the structure and exterior of the Building", and clause 8 makes the flat owner insure "the Building". The landlord has no repair, insurance or service obligations at all. Most lenders will not accept this.
- **RED FLAG: about 61 years remain on the lease** as at 14 October 2026. That is well below the 80-year point, so a lease extension will be expensive, and below the 85 years many lenders require.
- **RED FLAG: the ground rent doubles every 25 years.** It is £300 a year now, rises to £600 in March 2039 and to £1,200 in March 2064. Lenders treat doubling rents as onerous, and the rent level creates a possible assured-tenancy risk (see 2 below).
- **Service charge:** the landlord can charge whatever it considers reasonable, with no stated share, budget or accounts. Statutory reasonableness controls still apply.
- **No letting, no pets:** clause 5 bans underletting, so you cannot let the flat, including by short lets. Clause 6 bans all animals, with no consent route.
- **The document provided may be incomplete.** It has no plan, no rights of access or services, and no landlord covenants. We need an official copy of the full registered lease.
- **Overall view:** as drafted, this lease is seriously defective and likely to be unmortgageable. We recommend that you do not exchange until the defects are cured, either by a deed of variation or by a statutory lease extension on corrected terms, and the landlord's consent to the sale is obtained.

Key particulars

Item	Detail	Clause
Parties	(1) Harbour Estates Limited (Landlord); (2) Imogen Hartley (Tenant). No management company. Current landlord and seller [not supplied]	Parties
Premises	Flat 4, 12 Cardigan Road, Leeds LS6 3AG. No plan; extent not defined	1
Date of lease	1 March 1990	Heading
Term start	25 March 1989	1
Length	99 years	1
Expiry	24 March 2088. The construction of "from" may shift this by one day, which is immaterial	1
Years remaining	14 Oct 2026 → 14 Oct 2087 = 61 yrs; → 14 Mar 2088 = 5 mths; → 24 Mar 2088 = 10 days. ≈ 61 yrs 5 mths (61.4 yrs) as at 14 Oct 2026	1
Current ground rent	£300 p.a. (from 25 March 2014). Payment dates not stated	2
Review pattern	Doubles every 25 years: £600 from 25 Mar 2039; £1,200 from 25 Mar 2064	2
Service charge share	None stated; landlord's "absolute discretion"	3
Insurer	Tenant insures the Building with a landlord-nominated insurer	8

Detailed report

1. Parties, demise and term

- **Parties and demise.** The parties are the Landlord and the original Tenant only. The demise is "Flat 4, 12 Cardigan Road" (cl.1). There is no plan and no statement of whether structure, windows, or floor and ceiling voids are included. "the Building" is used in cls.3, 4 and 8 but never defined. No parking, garden, loft or storage is let.
- **Term.** About 61.4 years remain (calculation above).
 - Below 85 years: many lenders will decline or impose conditions [\[verify against the lender's handbook\]](#).
 - Below 80 years: marriage value is payable on a statutory extension under the Leasehold Reform, Housing and Urban Development Act 1993 as it currently operates. The Leasehold and Freehold Reform Act 2024 provides for abolishing marriage value, but commencement must be checked [\[verify\]](#). The buyer should not assume it has been abolished.
 - A statutory extension adds 90 years at a peppercorn rent ([LRHUDA 1993 s.56 \[verify\]](#)). The tribunal can include modifications to remedy defects in the new lease (s.57(6) [\[verify\]](#)), which may be the cleanest cure here.
- **Extension notice.** Whether the seller has served a s.42 notice is [not supplied]. If one has been served, the benefit can pass with an assignment of the lease (s.43(3) [\[verify\]](#)). That avoids the buyer's two-year ownership wait under the current regime (s.39 [\[verify\]](#)).

2. Ground rent and review

- **The clause.** Cl.2 reserves "£150 for the first 25 years of the term, doubling on each 25th anniversary". The rent is £300 now, £600 from 25 March 2039 and £1,200 from 25 March 2064 to expiry. **HIGH RISK: doubling rent.** Payment dates and in-advance/arrears terms are not stated.
- **Assured tenancy risk.** Leeds is outside Greater London, and £300 already exceeds the £250 figure. However, the lease was granted on 1 March 1990, before 1 April 1990. The low-rent exclusion may therefore turn on the rateable-value test ([Housing Act 1988 Sch.1 para 3B \[verify\]](#)) rather than the £250 threshold (para 3A [\[verify\]](#)). The rateable value at 31 March 1990 is [not supplied]. If the lease can be an assured tenancy, the mandatory rent-arrears possession ground is in play ([Housing Act 1988, Sch.1](#) paras 3A-3C [\[verify\]](#)). Specialist confirmation is needed.
- **Lender view.** £300 exceeds 0.1% of value if the property is worth under £300,000. By 2039 the same test catches values under £600,000. The price is [not supplied] [\[verify against the lender's handbook\]](#).
- **Ground Rent Act.** The lease was granted in 1990, so it is not a regulated lease under the Leasehold Reform (Ground Rent) Act 2022.
- **Demands.** Rent is not payable until a prescribed-form demand is served ([CLRA 2002 s.166](#)). This overrides "whether formally demanded or not" in cl.7.

3. Service charge machinery

- **The clause.** Cl.3 says the tenant pays "such sum as the Landlord in its absolute discretion considers reasonable towards the costs of the Building" and the landlord "may recover any costs incurred at any time". There is:
 - no list of services or landlord obligation to provide them;
 - no percentage or apportionment method;
 - no accounting year, on-account mechanism, balancing charge, accounts, certificate or reserve fund.
- **Risk.** This is an open-ended sweeping-up charge with no transparency, a lender and buyer issue.
- **Statutory overlay.** This is a service charge within [LTA 1985 s.18 \[1\]](#), and "landlord" includes anyone entitled to enforce payment (s.30) [2]. The following apply despite the "absolute discretion" wording:
 - **s.19:** costs are recoverable only if reasonably incurred and the work is of a reasonable standard.
 - **s.20 and s.20ZA:** consultation applies to qualifying works and long-term agreements, subject to the tribunal's dispensation power.
 - **s.20B:** costs demanded more than 18 months after being incurred are irrecoverable unless the tenant was notified in time. This cuts down "any costs incurred at any time".
 - **s.20C:** the tenant may seek an order excluding the landlord's litigation costs [4].
 - **s.21B:** a summary of rights must accompany demands.
 - **s.27A:** the tribunal can determine payability.
- **Reform.** The LFRA 2024 makes prospective changes to service-charge reporting; commencement must be checked [\[verify\]](#).

4. Repair, maintenance and insurance

- **Repair.** Cl.4 says the Tenant keeps "the Flat and the structure and exterior of the Building in good and substantial repair". The tenant of one flat therefore carries the roof, foundations, main walls and exterior of the whole building. There is no landlord repairing covenant, and nobody is obliged to repair the

common parts. [LTA 1985 s.11](#) does not help, because it applies only to leases under seven years [3]. The obligation is probably unperformable, as no rights of access to the rest of the Building are granted.

Lender issue.

- **Insurance.** Under cl.8, the Tenant insures "the Building with an insurer nominated by the Landlord". The lease does not specify insured risks, noting of interests, a reinstatement obligation, rent suspension, or what happens if reinstatement is impossible. The tenant's right to challenge a nominated insurer is in LTA 1985 Sch. para 8 [\[verify\]](#); [CLRA 2002 s.164](#) applies to houses only [\[verify\]](#).

5. Alienation

- **The covenant.** Cl.5: the Tenant "shall not assign, underlet or part with possession of the Flat or any part of it". This is **absolute**. [LTA 1927 s.19](#) and [LTA 1988 s.1](#) apply only to qualified covenants, so the landlord may refuse consent for any reason or none.
- **Consequence.** An assignment without landlord waiver or variation is a breach on completion. Previous assignments must be checked for consent.
- **Charging.** Charging is not restricted, but a lender's power of sale depends on assignment, which is a **lender issue**.
- **Other requirements.** There is no deed of covenant, notice or fee requirement. Completion should still be conditional on a deed of variation converting cl.5 to a qualified covenant, or at minimum a licence to assign.

6. User covenants, pets and short lets

- **Use.** Cl.6: "a private dwelling only". Short lets and any letting are also barred by cl.5.
- **Pets.** "No animals shall be kept". This is absolute, with no consent mechanism.
- **Not covered.** There are no nuisance, parking or flooring covenants.
- **Intended use.** The buyer's intended use is [not supplied].

7. Alterations

- There is no alterations covenant (not present), so there is no express restriction. Planning and building-regulation compliance for any works still needs to be checked by enquiry.

8. Forfeiture

- **The clause.** Cl.7: "If any rent is unpaid for 7 days (whether formally demanded or not) the Landlord may re-enter". It covers rent only, not other breaches. Whether the service charge is reserved as rent is not stated.
- **Statutory restrictions.**
 - Re-entry of an occupied dwelling requires court proceedings ([Protection from Eviction Act 1977 s.2](#)).
 - Rent is not due without a s.166 notice.
 - No forfeiture is possible for unpaid sums below the prescribed amount or period ([CLRA 2002 s.167](#); currently £350 or over three years [\[verify\]](#)).
 - [CLRA 2002 s.168](#) restricts s.146 notices for other breaches.
- **Lender point.** There is no notice-to-mortgagee provision. **Lender issue.**

9. Lease defects

See the table below. The defects are fundamental and go beyond drafting gaps. Whether the other flats' leases mirror this one, and whether contributions total 100%, cannot be verified from one lease.

10. Leasehold and Freehold Reform Act 2024

The Act provides for the following. Each is subject to commencement by regulations and some are subject to legal challenge, so the buyer should not rely on any of them yet:

- 990-year extensions at a peppercorn [\[verify\]](#);
- removal of the two-year ownership requirement [\[verify\]](#);
- valuation changes, including abolition of marriage value [\[verify\]](#);
- buildings-insurance commission transparency [\[verify\]](#);
- service-charge reporting [\[verify\]](#);
- limits on landlords recovering litigation costs [\[verify\]](#).

Lease defects and lender issues

Defect	Clause	Lender issue?	Suggested remedy
Absolute bar on assignment and underletting	5	Yes	Deed of variation (qualified covenant) or licence to assign; statutory extension with s.57 modifications [verify]
Tenant repairs structure and exterior of whole Building; no landlord covenant; common parts unallocated	4	Yes	Deed of variation: landlord repair covenant recoverable via service charge
Tenant insures whole Building; no reinstatement, noting or rent suspension	8	Yes	Variation: landlord insures, reinstates, notes interests
Unlimited discretionary service charge; no share, accounts or reserve	3	Yes	Variation: fixed apportionment, accounts, certificate, trust wording
No rights of access, support, services or use of common parts and bins	Not present	Yes	Deed of variation / rectification; indemnity only if lender accepts
No plan; "Building" undefined; extent of demise unclear	1	Yes	Plan and definitions by variation
No mutual enforceability covenant	Not present	Usually yes	Variation
Doubling ground rent	2	Yes	Statutory extension (peppercorn) or variation
≈61.4 years unexpired	1	Yes	Seller serves s.42 notice and assigns its benefit, or extension before completion
No notice-to-mortgagee provision	7	Yes	Variation / lender confirmation
Repair of whole Building unperformable without access rights	4	Yes	As above

Enquiries for the seller's solicitor / landlord

Seller's solicitor

1. Please supply an official copy of the complete lease, including any plan, schedules and execution pages, together with all deeds of variation, licences and the freehold and leasehold title registers.
2. Please confirm the seller's identity and supply the chain of assignments since 1990. Was landlord consent obtained for each assignment, given the absolute prohibition in clause 5?
3. Will the seller procure, before exchange, a deed of variation or the landlord's written licence permitting assignment to our client and future assignees and mortgagees?
4. Has a notice under s.42 LRA 1993 been served? If so, please supply it and any counter-notice, and confirm that the benefit will be assigned on completion. If not, will the seller serve one before exchange?
5. In practice, who has repaired the structure, exterior and common parts, and who has insured the Building? Please supply the current policy and schedule.
6. Please supply ground-rent demands for the last six years and confirm they were in the s.166 prescribed form. Please confirm there are no arrears.
7. Have any alterations been made? Please supply planning and building-regulation documents.
8. Has the flat ever been let or animals kept? Has the landlord alleged any breach?
9. Is there an RTM company, residents' association or collective enfranchisement proposal?

Landlord / managing agent (LPE1 / management pack) 10. Please supply the current service-charge budget, the last three years' accounts and the apportionment used for Flat 4. 11. Please give details of any s.20 consultation, planned major works, reserve fund and arrears. 12. Please give details of any tribunal or court proceedings concerning the Building. 13. Please confirm the nominated insurer and any commission received. 14. Will the landlord consent to the assignment and agree a deed of variation, and on what fees? 15. Do the other flats' leases contain the same terms? Please supply copies and confirm the contributions total 100%. 16. Please supply a plan of the Building and common parts.

Missing information

1. Complete lease, plan and schedules [not supplied]
2. Current landlord and seller identity [not supplied]
3. Rent payment dates [not supplied]
4. Rateable value of the flat at 31 March 1990 [not supplied]
5. Purchase price or valuation [not supplied]
6. Buyer's intended use (occupation, letting, pets) [not supplied]
7. Lender identity and handbook requirements [not supplied]
8. Any s.42 notice or extension negotiations [not supplied]
9. Service-charge accounts, budget and arrears [not supplied]
10. Insurance policy [not supplied]
11. Other flats' leases [not supplied]
12. Deeds of variation and licences [not supplied]

Sources (legislation.gov.uk)

1. [Landlord and Tenant Act 1985, section 18 — Meaning of "service charge" and "relevant costs"](#)
 2. [Landlord and Tenant Act 1985, section 30 — Meaning of "landlord", "tenant" etc. \(service charge provisions\)](#)
 3. [Landlord and Tenant Act 1985, section 11 — Repairing obligations in short leases](#)
 4. [Landlord and Tenant Act 1985, section 20C — Limitation of service charges: costs of proceedings](#)
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Quote check: all 10 passages quoted above appear word-for-word in the document.

Appendix: the document it read

The test lease from Counsel AI's accuracy evaluation (seven planted problems), exactly as this run read it.

THIS LEASE is made on 1 March 1990

BETWEEN (1) Harbour Estates Limited ("the Landlord") and (2) Imogen Hartley ("the Tenant").

1. DEMISE. The Landlord lets to the Tenant Flat 4, 12 Cardigan Road, Leeds LS6 3AG ("the Flat") for a term of 99 years from 25 March 1989.

2. GROUND RENT. The Tenant shall pay a yearly rent of £150 for the first 25 years of the term, doubling on each 25th anniversary of the term commencement date.

3. SERVICE CHARGE. The Tenant shall pay on demand such sum as the Landlord in its absolute discretion considers reasonable towards the costs of the Building. The Landlord may recover any costs incurred at any time.

4. REPAIR. The Tenant shall keep the Flat and the structure and exterior of the Building in good and substantial repair.

5. ALIENATION. The Tenant shall not assign, underlet or part with possession of the Flat or any part of it.

6. USE. The Flat shall be used as a private dwelling only. No animals shall be kept at the Flat.

7. FORFEITURE. If any rent is unpaid for 7 days (whether formally demanded or not) the Landlord may re-enter the Flat and this Lease shall end.

8. INSURANCE. The Tenant shall insure the Building with an insurer nominated by the Landlord.

SIGNED by the parties.