

Netherne Management Limited

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Prepared for: NML Members
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Gleesons interests and remortgaging

Introduction

A number of members have asked to understand the interest that Gleesons may still have in our properties, and also why they make a charge whenever title deeds get updated to include a new mortgage lender. For example – when you move to Netherne, or if you re-mortgage.

This short paper sets out the NML Board's understanding of the position.

Who are Gleesons?

M J Gleeson were the main developers of the village so when the properties were originally sold, their name appeared on the deeds of covenant/leases.

However, when the assets were transferred to local control in 2011, M J Gleeson transferred their interests to NML, so now NML takes the place of M J Gleeson on these documents. There is no legal requirement to amend everyone's individual documents as overriding deeds have been lodged with the Land Registry recording the amendments.

Who else may have an interest in my property?

As well as M J Gleeson, Netherne Management Limited (NML) and your Local Management Company (if you have one) will also have an interest listed on the title deeds of your property.

The Local Management Companies in Netherne include:
Fairdene, Fairdene 4, Fairdene 5, Italian Piazza, Parkwood Heights, Wallace Square, Waverley Lodges, The Villas and Zig Zag.

You will know if you belong to a Local Management Company as you will be paying separate service charges to that Local Management Company.

Why do I have to pay fees to SHW when re-mortgaging?

Your new mortgage company requires a substantial amount of information that involves NML's advisors spending time collating and replying to the enquiries. This work includes receipting the Notices relating to the mortgage and issuing the Certificate of Compliance required to register the Charge at Land Registry. Under the terms of your deed of covenant/lease, you are required to meet any costs incurred by NML for such transactions.

The work used to be carried out by solicitors McMillan Williams but following concerns about the level of fees they charged, in December 2013 the NML board took the decision to transfer the work to our managing agents – Stiles Harold Williams (SHW). At lower cost.

Depending on your property, there may also be a charge from your Local Management Company as they will have to provide similar information in respect of their interest in your property.

Your solicitor should have flagged these fees with you during conveyancing as they are part of the Deed of Covenant/Lease which we all signed when moving into the village. NML (or the Local Management Companies) do not receive any of the fees you pay; they are paid to SHW for the work that they have to do as part of the process.

Do Gleesons still have an interest?

Gleesons are no longer involved day to day in Netherne. However, they are party to the original documentation.

We are not lawyers, and encourage anyone who is re-mortgaging to check this out thoroughly with the solicitors who are advising you, but *our lay understanding is that:*

- If you are in a leasehold property, then Gleesons may still have an interest as they still own most of the freeholds of the leasehold properties via various local management companies.
- If however you are in a freehold property, then Gleesons should no longer have a legal interest.

We are aware of a several members who own freehold properties who have tried to challenge Gleesons to get the restriction removed. Gleesons seem to have been very difficult about any such challenges, and have been adamant that it should persist.

In one case, where a member tried to get the Gleesons restriction removed, we understand he ran out of time as his re-mortgage offer was coming to an end, and had to give up the challenge.

We are not aware of any members who have successfully managed to get the Gleesons restriction removed, but please let us know if you know of a precedent case. There may be a one off cost to get the Gleesons restriction removed, but thereafter there should no longer be further fees due to Gleesons when you re-mortgage.

So our understanding is that, unless you can successfully challenge Gleesons to get their restriction removed, whenever you re-mortgage, a certificate of compliance will still be required from Gleesons to comply with the Land Registry restriction in their favour.

We understand that Gleesons charge £200 for issuing their certificate of compliance.
