



"Acting in the vendor's best interests"

says Stephen Taylor, MD Guy Simmonds



The first and last responsibility of any licensed property sales agent is to act in the best interests of his vendor client. The pressure to induce sales in today's tough market should never compromise that fundamental responsibility and obligation.

Guy Simmonds has over 35 years experience in the sale of licensed businesses, and one of our key specialities is the successful creation of free-of-tie leases on behalf of freeholders wishing to sell their licensed business while retaining their valuable freehold asset as a growing investment. Most importantly, our expertise in this specialised field draws on our own direct experience since we are landlords ourselves owning the freehold of several licensed properties which are leased on attractive and sustainable free-of-tie terms. We are therefore uniquely positioned to empathise with the needs of freeholders contemplating the creation of a lease. We take a pragmatic view upon the annual rental and are available to our clients in order to offer advice on an on-going basis, to help ensure the success and longevity of the lease.

The freeholder should be cautious of creating a lease which embodies a contractual obligation to sell the freehold to the sitting lessee in the future, since there are too many unknowns. Also, this may confuse the prospective purchaser of the lease, thereby resulting in a lost sale for the vendor. No-one can reliably predict in advance the freeholder's personal circumstances, his health, his individual

financial position, the prevailing economic climate or the licensed property market conditions and prevailing freehold values. By signing a contract which gives the sitting lessee a 'right to buy', the vendor not only loses the freedom for a simple change of mind he also denies himself the ability to adapt to future unforeseen circumstances. There is, of course, no guarantee that the lessee will either be in a position or want to take up his option (which is not a contractual commitment) to purchase the freehold. The freeholder should be very cautious in offering anything more than for the lessee to have first refusal on the opportunity of buying the freehold at any time – and at a price determined by the vendor at the appropriate time.

Ignore gimmicky sales brochures and catch phrases and remember that an agent is of course engaged to sell valuable freehold real estate on behalf of its vendor clients and act in that client's best interests. The value of any freehold licensed business is very substantial, and the freeholder rightly deserves only the most professional advice and service when the time comes to contemplate a sale. We advise vendors to consider their options very carefully. We are, of course, delighted to offer our specialist advice to any freeholder considering his options – of which selling his business interest by the creation of a lease is just one of several. ***As always, our advice is completely free-of-charge and without any obligation whatsoever.***