

**OPTION TO PURCHASE AGREEMENT**

>> day of << >> 20<< >>

**Landlord:** <<Landlord's name>> <<Address>> [(company number << >>)]

**Tenant:** <<Tenant's name>> <<Address>> [(company number << >>)]

**Completion Date:** << >> working day of << >> month << >> year

**Option:** The right to require the Landlord to grant the whole of the Property to the Tenant on payment of the Option Fee.

**Option Fee:** £<< >>

**Option Period:** From and including << >> day of << >> month << >> year until 5pm on << >> day of << >> month << >> year

**Price:** £<< >>

**Property:** The freehold property shown on the plan attached to this Agreement registered with title number << >> known as:

<<Address>>  
<<Address>>  
<<Address>>

**Tenancy Agreement:** The tenancy agreement entered into between (1) <<Landlord's name>> and (2) <<Tenant's name>> on << >> day of << >> month << >> year.

**1. Grant of Option**

- 1.1 In consideration of the sum of << >> pounds, the Tenant to the Landlord (receipt of which the Landlord grants the Option to the Tenant.
- 1.2 The Option is granted to the Tenant in accordance with the terms of this Agreement.
- 1.3 The Option may be exercised by the Tenant at any time before the end of the Option Period.
- 1.4 The Option shall immediately terminate if the Tenant's Tenancy Agreement is forfeited or otherwise ceases to exist.
- 1.5 The grant of the Option shall be without charge or otherwise.

**2. Exercise of Option**

- 2.1 The Option is to be exercised by the Tenant by serving notice on the Landlord stating that the Tenant exercises the Option.
- 2.2 Once the Option is exercised, the Landlord and Tenant will be contractually bound to enter into a contract for the purchase of the Property at the Price on the Completion Date. The contract shall be subject to the Standard Conditions of Sale (Fifth Edition) and shall incorporate these conditions insofar as they are not inconsistent with the terms of this Agreement.

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**3. Title**

3.1 The Property is registered in the Land Registry with title number << >>.

3.2 The Property will be transferred to the Tenant free of all encumbrances save from the Tenancy Agreement and the Standard Conditions of Sale in standard condition 3.1.2 of the Standard Conditions of Sale. **OR** [and the incumbrances listed below:

4.2.1 <<

4.2.2 <<

4.2.3 <<

3.3 The Tenant is deemed to have taken title prior to the date of this Agreement and made no enquiries about title after this Agreement is exchanged.

**4. Dealings with the Property**

4.1 The Landlord may not on or after the Completion Date, dispose of or create any interest over the Property without the Tenant's prior written consent.

4.2 If the Landlord transfers the Property (or any part of the Property), then the transferee, chargee or lessee enters into a deed in favour of the Tenant requiring the transferee, chargee or lessee to perform the obligations of the Landlord in this Agreement.

4.3 The Landlord consents to the Tenant applying to the Land Registry to enter a restriction against the Property:

"No disposition of the Property, whether by the proprietor of the registered estate, or by the proprietor of a charge, not being a charge registered before the date of this Agreement, is to be registered without a certificate signed by the Tenant in the name of <<insert name>> that the provisions of clause [4.2] of an Option Agreement dated the << >> day of << >> 20<< >> have effect or that they do not apply to the Property."

**5. Completion of sale and purchase**

5.1 Completion of the sale and purchase shall take place on the Completion Date.

5.2 The transfer deed will be executed by the Landlord or the Landlord's solicitors] **OR** [in the form of the Tenancy Agreement].

5.3 The Tenant will pay the purchase price on the Completion Date by direct credit to a UK bank account in the name of the Landlord.

5.4 The Property is sold to the Tenant for the benefit of the Tenancy Agreement.

5.5 On completion the Tenant's interest shall merge with the Landlord's interest.

5.6 [The Landlord shall not be liable for any rent and other payments paid in respect of the Property in the period after completion of the sale and purchase.]

5.7 [On the Completion Date the Tenant shall pay to the Landlord <<insert any other payments e.g. stamp duty and Landlord's legal fees>>.]

**6. Land Registry Notices**

6.1 Neither party shall be liable for any notice to be entered on the registered title.

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title to the Property

ent.

6.2 The Tenant may apply for registration of title in relation to the Property and the Landlord shall not object to such an application.

to be entered on the registered title and the Landlord shall not object to such an application.

6.3 "Agreed notice" and "notice" shall have the meanings ascribed to them by section 34 of the Landlord and Tenant Act 1954.

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6.4 After the end of the term of the Agreement, the Tenant shall apply for the removal of any entry on the register.

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**7. Value Added Tax**

7.1 Any sums payable by the Tenant under the Agreement are exclusive of value added tax.

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7.2 The Tenant shall pay any value added tax which is chargeable on any sums payable under the Agreement.

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**8. Miscellaneous**

8.1 The Landlord and Tenant agree that no person who is not a party to this Agreement has any rights or obligations (Third Parties) Act 1999.

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8.2 All notices given under the Agreement shall be in writing and for the purpose of service the provisions of the Law of Property Act 1925 shall apply.

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Signed by/on behalf of the Landlord

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Signed by/on behalf of the Tenant

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NOTE: Draft transfer to be annexed

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