

# HIGH LIFE

**WHAT**  
Britain's first  
penthouse restored  
to its former

**WHERE**  
At the highest point  
in north London with  
views over five

**WORTH IT?**  
£1.8m buys you  
England's foremost  
modernist

## The importance of being locked out to get locked in

**L**ocks and levers are normally the tools of the locksmith (or his counterpart, the burglar). However, the present shortage of prime property for sale in London has led to the re-emergence of strong-arm leverage in property deals.

Sellers, flexing their muscles in a market heavily weighted in their favour, have begun demanding non-returnable deposits from buyers, ostensibly to be sure of their commitment. It's an extra pressure for the buyer who is already

competing in a large field of runners. It is also, say independent property experts, totally unnecessary. It might put the seller's estate agent's mind at rest, but in cases where the deal unravels – possibly because of a poor survey – all it does is insert an extra layer of bureaucracy when the buyer tries to get his money back.

"It does make you wonder what the seller is up to," remarked one buying agent. "The generous interpretation would be that perhaps they have been mucked

about in the past and this is a last resort. Lawyers hate it, but it can sort out the men from the boys as far as the estate agent is concerned."

Far better from the buyer's point of view, says buying agent Robert Bailey, to insist on a lock-out clause and get your team – solicitor, mortgage lender and surveyor – to move fast. This proves to the seller you are serious and you have the funds to proceed.

"These acts show willingness much more than a deposit, and actually move the sale



**ROSALIND  
RUSSELL**

**ON SEALING  
THE DEAL**

along," he says. "These fees (non returnable deposits) are often the result of a sealed bid scenario in which several competing buyers are attempting to buy the same house. Buyers are often told the money is required to secure the bid."

Tim Le Blanc-Smith of estate agents John D Wood in South Kensington confirms the increase in sealed bids. "The shortage of good properties continues. This has led to many more people prepared to participate in sealed bids. Over the years

some purchasers have felt uncomfortable with them but it is now not uncommon to receive up to 10 bids on a property."

Buyers need not be pressured into handing over a non-returnable deposit if their offer is accepted and they are in a position to move quickly.

"The paperwork involved in arranging the non-refundable deposit creates extra work when that time could be spent progressing the sale," says Bailey. "Unfortunately, these non-refundable deposits are indicative of market conditions." What

affects the top end buyer today will inevitably filter down to the Joe Bloggs buyer. It is as well to remember the Eighties when estate agents began demanding non-returnable deposits. Most savvy buyers told them to take a hike and the practice fizzled out.

However, finding a good finance broker may be an answer. "Opt for a broker with a good relationship with several surveying firms on lender panels, so a survey is carried out and reported back within three days," says broker Wayne Coleman.