

# BRIEFING PAPER

## Selling Land

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# Selling Land

Strict rules apply when a charity wants to sell a property. If appropriate advice is not taken trustees can find themselves in difficulty. These notes will help. (This link will take you to the CC Publication on selling land:

<http://www.charity-commission.gov.uk/publications/cc28.asp>

## **1. GENERAL RULE:**

Charities may not sell land without the approval of the courts or the Charity Commission. If the sale is to a 'connected person' permission must be obtained. If not to a 'connected person', permission is not needed if two simple steps are taken.

## **2. CONNECTED PERSON:**

Anyone who is in a legally defined class: i.e. who is closely linked to the charity or a trustee of the charity. It could be a relative of a trustee or someone co-habiting, an employee or a benefactor, or someone with close personal, family or business links.

## **3. INITIAL QUESTIONS:**

The Charity Commission suggests that Trustees ask themselves the following questions:

- a. Do they have the power to sell in the governing document?
- b. Is the disposal beneficial to the charity?
- c. Are the terms of disposal the best that can be obtained?

## **4. THE TWO STEPS:**

- a. A report from a qualified surveyor on the property, including advice on advertising it for sale and acting on that advice.
- b. Obtaining the surveyor's advice on any proposed sale and acting on that advice.

## **5. TRUSTEES TO BE SATISFIED:**

They must be satisfied that the proposed sale is on the best terms they can get and is in the best interests of the charity.

## **6. GUIDELINES FOR SURVEYORS:**

These must be completed before the sale completes.

## **7. CONTRACT OF SALE:**

This must specify that the sellers are charity trustees and have legal obligations to meet before they can sell the land. This will protect the purchaser against any failure of the charity to meet its obligations.

In summary, it is vital that trustees take appropriate professional advice before they begin the process of selling land, whether freehold or leasehold or a share of ownership of land.

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**DISCLAIMER:**

This guide is intended only to give very general advice in relation to the topics covered. These guidelines should not be relied upon as a substitute for obtaining specific and more detailed advice in relation to a particular matter. This material may be drawn from a variety of sources and we give credit where we can. If we have failed to do this on any occasion please let us know so we can put it right.

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