



In depth: Flying Freehold

The “Flying Freehold Law” enables the freehold ownership of apartments or units held within a larger property. The flying freehold can also include garden’s parking spaces, terraces etc.

Unlike share transfer, any mortgage taken to enable the purchase of a flying freehold property will most likely be secured on the apartment or unit itself as opposed to the company shares which are used as security in the case of share transfer properties.

Co-ownership of the property which holds your apartment or unit is governed by the Declaration of an Association. The Association is made up of all the owners of the units in a property and is the notional owner of the whole property.

Searches

Your lawyer will conduct all of the searches for the ‘collective property’ that they would do for a freehold transaction. In addition to this, they will inspect the Association’s records to make sure that there is nothing in them which could affect your enjoyment of your apartment or unit.

With a flying freehold property, you have to pass a contract of conveyance in front of the Royal Court in the same way that you have to for a freehold transaction. Please take a look at “In Depth: Freehold” for more details on the procedure.

Property Insurance

As with a share transfer property, you will be expected to insure all of the internal elements of your apartment, these include: all internal wall, ceiling and floor finishes, kitchen and bathroom fittings, appliances, windows and doors. The Association will insure the property within which your apartment or unit is situated.

Survey

If you’re buying the property with a bank loan, your bank will require that a valuation and survey be carried out by a professionally qualified surveyor. The bank will provide you with a list of their approved surveyors.

If you’re buying an apartment, it’s important that the surveyor looks at the structure and exterior of the whole building and should confirm that the services and drains are all in good condition.



It is important that you are happy with the structural integrity of the building you are purchasing as you will be buying the property in its present condition with all apparent and hidden defects, so you need to be aware of these before choosing to go ahead with the transaction.

It is also worth asking your surveyor to inspect the files on the property at the Planning Department. This is because the responses the department will have given to your lawyer's search enquiries come with a disclaimer which means they do not guarantee the accuracy or completeness of the information. It is wise to ask your surveyor to double check the files in case something has been missed.