



COLLECTIVE ENFRANCHISEMENT

Why should you consider buying the Freehold?

There are various reasons as to why you would be wise to consider looking into this but typically;

Property value – to maintain and enhance the value of your flat, as this will also enable the participating flat owners to extend their leases to a much longer term (typically 999 years) with a peppercorn ground rent & make other amendments were required which could increase the value of the property.

Maintenance & Service charges – when you have a share of freehold you may collectively be able achieve savings when repairs or maintenance are needed and having a say in obtaining quotes, choice of contractor etc.

Insurance costs – the new freehold company may be able to obtain reductions in the buildings insurance premiums which will no longer pay the former freeholder insurance commission.

Control – ultimately, acquiring the freehold gives the majority of leaseholders much more control over the block, as they decide how your property should be managed and by whom be that 'in house' or utilising a professional managing agent of their choice rather than one who is often imposed upon flat owners by an external Landlord. In addition, reducing the risk of extensions / developments taking place on the property – buying your freehold removes the risk of your existing freeholder seeking planning permission on parts of the site

General Information

The 1993 Leasehold Reform Act (as amended) provides the right for the qualifying majority of leaseholders to compel the Landlord to sell

the Freehold to them. Once the Freehold in the hands of the Lessees they own, run & have control of the building themselves. We provide a very full & substantive service for clients to assist in this process.

You should arrange your finances before you commence any procedures and should be aware that if you withdraw, you will still have to pay your own and the landlord's costs and funds should be established for this purpose. It is recommended that leaseholders have a formal valuation carried out so they are aware of what the likely value will be although this is not a legal requirement.

You should check that the building complies and that there are enough qualifying leaseholders to be able to proceed. Details about 'leaseholder qualification' are set out below. In order for the building to qualify it must:

- Not have more than 25% of the internal floor area of the property as being non-residential, and
- At least two-thirds of the flats must be let to 'qualifying leaseholders'

Basically, enough of the qualifying leaseholders must participate, being at least half of the total number of flats in the building. Where there are only two flats in the building both leaseholders must participate.

The minimum number of leaseholders that are needed for a successful action must;

- Not be less than half of the total number of flats in the building. For example, if there are 15 flats in the building at least 8 of the qualifying leaseholders must participate.
- BUT - where there are only two flats in the building, both leaseholders must participate.

There is no right of collective enfranchisement (but there may be a right to renew the lease) where:

- The building is a conversion into four or fewer flats and not a purpose-built block AND ALSO *
- the same person has owned the freehold since before the conversion of the building into flats AND ALSO*
- he or an adult member of his family has lived there for the past twelve months OR
- the freehold includes any track of an operational railway, including a bridge or tunnel or a retaining wall to a railway track

* For the sake of clarification therefore where a converted block has four or less flats, the present Landlord would have to have owned it prior to the building having been converted and, in addition to which, he or an adult member of his family must have lived in one of the flats for at least the last 12 months in order for the lessees not to have the right to acquire the Freehold. However, if it is simply a converted block & the same Landlord has not owned it prior to the conversion being carried out and in addition, an adult member of his family has not lived in one of the flats for the last 12 months then there is a right for the lessees to Collectively Enfranchise, subject of course to any other requirements being met. However a person is an adult member of another's family if that person is— (a) the other's wife or husband; or (b) a son or daughter or a son-in-law or daughter-in-law of the other, or of the other's wife or husband, who has attained the age of 18; or (c) the father or mother of the other, or of the other's wife or husband; and in paragraph (b) any reference to a person's son or daughter includes a reference to any stepson or stepdaughter of that person, and "son-in-law" and "daughter-in-law" shall be construed accordingly.

Some properties are completely excluded from the rights of lease extension and collective enfranchisement such as:

- buildings within a cathedral precinct
- National Trust properties
- Crown properties*

* Although the Crown is not bound by the legislation the Minister has made a statement to the House of Commons that the Crown will be prepared to comply with the principles of it

The right of first refusal – Section 5 – ACT WITHOUT DELAY!

The Landlord and Tenant Act 1987, which makes it a criminal offence for freeholders to sell the freehold to a third party without having first offered it to the qualifying flat owners. If you have received a 'Section 5' Notice from your freeholder, the qualifying majority may accept the offer but there are very stringent time restraints and a specific procedure that has to be followed. Leaseholders cannot simply write to the Landlord confirming they want to buy and even where this is done they may find the Landlord still sells elsewhere simply because they are not obliged to sell the Freehold to the Leaseholders unless the strict procedures have been followed

Other Important Information

We naturally are unable to guarantee any application as neither being successful nor the amount of the eventual premium that may be determined by the Tribunal. You will be liable for the 'reasonable' costs of the Landlord relative to the Notice of Claim & the preparation / completion of the new lease together of course with the fees of any Valuer, solicitors etc. who you choose to instruct to assist. Please ensure you carefully read our Terms & Conditions to which this website & our services are subject

Our Charges & Services

The fees quoted are to be calculated on a 'per flat' basis, being the total number of flats in the building & all are subject to VAT at the prevailing rate.

We would request from the Lessees the basic information needed for us to prepare the necessary paperwork. In addition to preparation we will also serve the various Notices required.

We will deal with the formation of the Management Company as required (including so far as possible completing the forms for you) . Our fees depend upon the number of flats in the building We do not charge an 'hourly rate' & all fees are clearly specified in writing, are entirely 'fixed' with no extras or additions in any way. Upon instructions, we will send you a form to provide us with the basis information required. Initially, we will automatically check your entitlement / qualification strictly based on the information you have at that time supplied to us without charge. Please ensure you carefully read our Terms & Conditions to which this website & all our services are subject

01483 890672

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TERMS & CONDITIONS

1. No material supplied by us at any time or material from this website or any other website operated, licensed, owned, or controlled by us may be republished reproduced, copied, uploaded, transmitted, or distributed in any way, save for your own personal, non-commercial use. We make no representation that anything contained are appropriate or available for use in particular outside of England or Wales. This website and any assistance / information / advice we provide are not meant to describe or give a full interpretation of the law; only the courts can do that. Nor does it cover every case. If you are in any doubt about your rights and duties then see specific advice. We are unable to guarantee the outcome of serving an Initial Notice of Claim upon the Landlord or any subsequent application to The First-tier Tribunal that may separately be made either by us or by you or your client at a later date.
2. Whilst we use reasonable efforts to include accurate and up to date information we make no warranties or representations thereto. Legislation is regularly changing and or being amended. No responsibility can be accepted by us for any omission or error relative to any Notices that you or your client prepare & or serve no matter how such error or omission arose and you hereby agree not to rely on any of the information contained herein or provided. Under no circumstances, shall we be liable for your reliance on any such information nor shall we be liable for any direct, indirect, consequential damages that result from the use of, or the inability to use, this any other material provided.
3. We reserve the right to refuse to act for any individual / body should we so wish and will not be obliged to provide any reasons or explanations for so doing. We also reserve the rights to alter or delete material at any time and may, at any time, revise the terms of this Agreement by updating this website. You are bound by any such revision and should therefore frequently visit this section to check the terms of Agreement. By viewing and or using this / these website(s) as you signify your agreement & acceptance to these terms. If you do not agree to please do not use this / these website(s).
4. Where we have specifically confirmed fees in writing to you following which there is then a revision of fees, then the terms stated to you will continue to apply for month following our letter even if there has been an increase since that time. However, should you not have instructed us within the 1 month period stated and our fee are reviewed then we reserve the right to increase our fees in line with the current charges although it is of course entirely up to you whether you accept such revision.
5. We will only use the information that we collect about you in accordance with the Data Protection Act. We collect your name, address, telephone number & e-ma address in order to provide you with the best possible service & will not contact you in the future if you ask us not to do so.
6. Where we state that we will make an application to The First-tier Tribunal this solely relates to preparing and submitting the

7. Any instruction received cannot be accepted on a time conditional basis. Therefore we are not responsible in any way for any loss / losses you may incur or the resulting increase in premium or value thereof, either directly or indirectly as a result of any Notice not being served or received by a specific date.

8. Unless otherwise specifically requested it is our normal procedure to serve all Notices by first class post with a Certificate of Posting.

9. Where the fees quoted include the formation and incorporation of a Company (be that RTM or otherwise) are on the strict understanding that all and any lessees are capable of being admitted as a member / shareholder thereof & we cannot be held responsible if either this is not possible or for any additional charges made due to adjustments required to Memorandum & Articles of Association to vary them to adapt to specific unusual circumstances. Should a flat sell, where the owner is a Member of the RTM Company, prior to the Notice of Claim having been served then an additional charge would apply in respect of our charges to prepare the paperwork in respect of the admission of the new flat owner. Furthermore the Notice of Claim cannot be served whilst the previous flat owner is a Member of the RTM Company and we rely upon our instructing officer / RTM Company to notify us in the event of any such changes to the ownership of any of the flats in a timely manner.

10. It is considered that these terms & conditions are accepted, together with any others that may be on any correspondence / forms that are sent to you upon you returning a completed form instructing us with any matter regardless as to whether that form has been physically signed or not.

11. Whilst we will always try to be as accommodating as possible, should any matter be significantly delayed by the client for any period of more than 3 month following us being instructed, then we reserve the right not to be obliged to proceed or liable to proceed any further without any responsibility or liability to return an fees. Where we are prepared to continue the process then further fees may apply than those initially agreed.

12. It is a condition of our terms that prior to you signing or approving any Notice prepared by us that you have thoroughly read and understood all and any documentation in any format provided to you by us as this contains important information and that you thoroughly check & satisfy yourself as to the accuracy & content in all respects of any Notice(s) and associated documentation prepared which will be provided to you for you to approve and it is an explicit condition of our appointment that your approval thereof removes any liability or responsibility upon us in all & any respect for any error contained, detailed, missing or otherwise therein and you appointment for us to act on your behalf is conditional upon acceptance & agreement to these terms.

13. If you have any questions/comments about privacy, you should e-mail us at the address provided in the 'contact us' section of this website. This site, is owned and operated by 'The Leasehold Advice Centre', Lee House, Northcote Lane, Shamley Green, Nr. Guildford, Surrey GU5 0RB, a trading name of 'Bazin Estate Agent which may be referred to as "The Company", "The Leasehold Advice Centre" "we," "us," or "our". We would also like to make it clear that we are not connected, in any way, with 'The Leasehold Advisory Service' otherwise known as 'LEASE'.

14. All and any payments made by to us are not refundable at any time even if you subsequently decide at any time not to proceed further with the matter. It is part of our terms and conditions that anyone instructing us will thoroughly read & follow all the information we supply. This contains important information about what is to be done following the service of Notices relative to Lease Extensions, Right To Manage & Collective Enfranchisement over which strict time limits apply which, if no followed could invalidate the Claim. It is your responsibility to ensure that such procedures are correctly followed after any Notice is served by us. If you wish us to assist following the service of a Notice we may be prepared to do so and we would provide you with details as to any fee payable relative thereto. However, we cannot act without your instructions and it is your responsibility to contact us within a reasonable time in order for us to take any appropriate steps within the appropriate time limits.

15. We may display in a variety of ways selective summarised comments about our services provided or comments regarding our website. In so doing we will not give any information such as full names or addresses from the people who made such comments. In providing feedback to us you are agreeing to allow us to display the same in such ways as we consider appropriate and will raise no objection relative thereto. Any comments made are done so strictly at our discretion.

16. Please note that we do not return copy documents to you so please ensure anything that is sent to us is not subsequently then required by you.