

## Right to Buy your Landlord's Freehold

The Right to Buy allows tenants collectively to buy the freehold of their block of apartments at market price, provided certain conditions are met:

- There must be two or more apartments in a block, which must be self-contained.
- Two-thirds of all apartments must be occupied by 'qualifying tenants'.
- Commercial occupation must not exceed 25% of the total floor area.
- At least 50% of the qualifying tenants must participate.
- For properties with four or less apartments, there must not be a resident landlord.

### The Procedure

Tenants serve a notice on the landlord which must include a reasonably justifiable purchase price. The landlord must then serve a counter-notice within two months. As the chart on the following page demonstrates, there are three possible outcomes:

- The landlord admits the right to buy. It is possible for the landlord to dispute specific terms (e.g. the price) which, if they cannot be agreed between the parties, can be decided by the Leasehold Valuation Tribunal.
- The landlord may dispute the right to buy. In this case you can go to the County Court for a Declaration requiring the landlord to proceed. Such disputes are rare.
- The landlord may ignore the notice and not serve a counter-notice. In this situation tenants can apply to court requesting it to fix the terms.

The parties have two months to sign a contract for the purchase of the freehold from the time that terms are agreed.

### The Cost Elements

Costs for the tenant include:

- The purchase price.
- All amounts due under the leases.
- The valuation and legal fees of the landlord, as well as your own valuation and legal fees.
- The cost of setting up a company to own the freehold.

### Advantages – Why do it?

There are two main reasons for purchasing your landlord's freehold.

First, it provides control to the tenants over the management of their building. The tenants decide what is to be done and control the costs involved.

Secondly, it provides the freedom to extend the leases of the apartments to say 999 years with no additional premium to be paid.



Michael Denmead is a commercial property expert, and has built up an extensive experience of landlord and tenant enfranchisement law



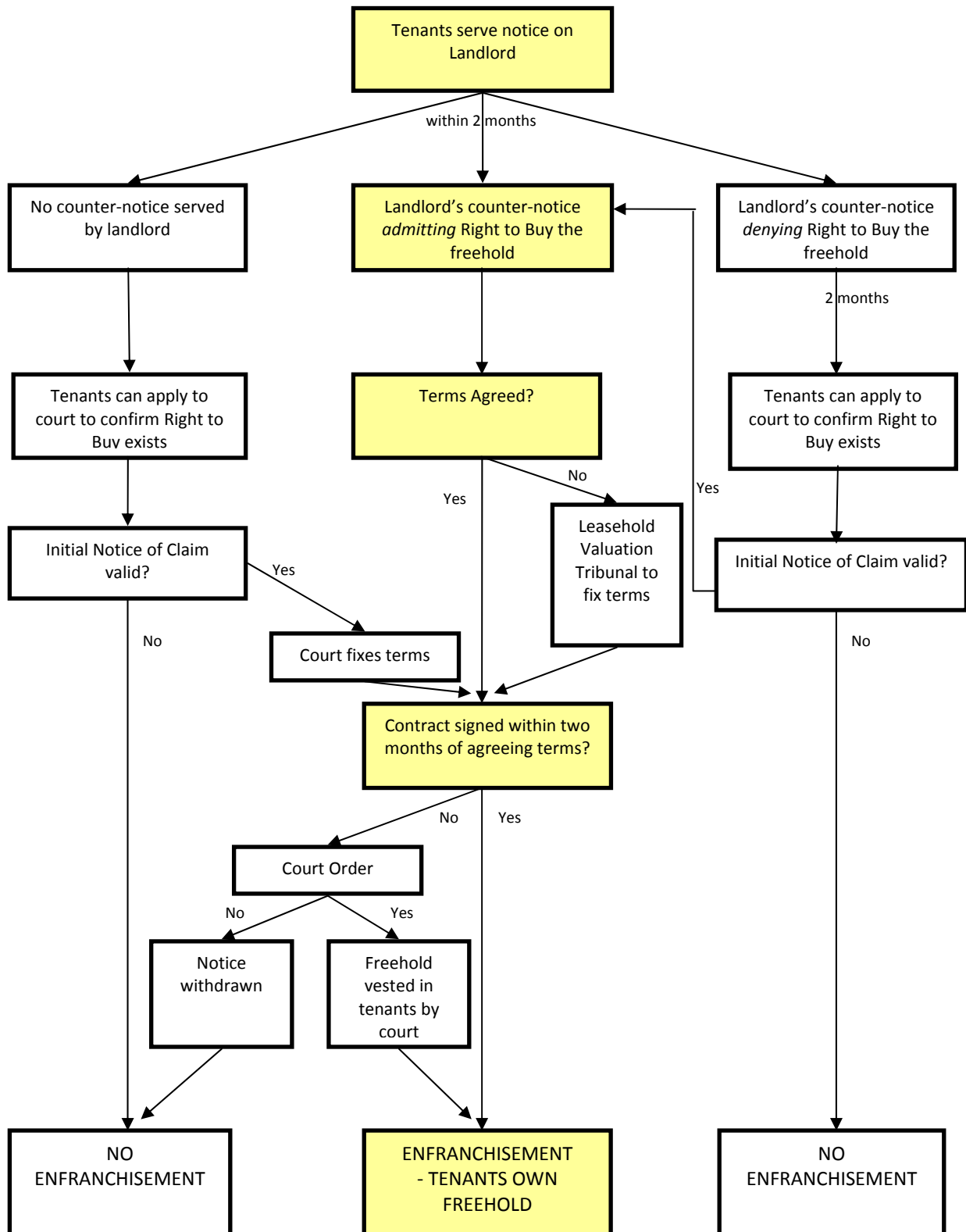
Alison Barr specialises in company and commercial work, with extensive practical experience in freehold enfranchisement purchases

For further information on your Right to Buy or any other property-related matters please contact Michael Denmead on 01223 417200 or email [m.denmead@barrellison.co.uk](mailto:m.denmead@barrellison.co.uk)

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Shaded boxes demonstrate the most usual route taken in Right to Buy proceedings



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