

FREEHOLD ACQUISITIONS

If you have decided that now is not the right time to sell your flat, this could be a good opportunity to get together with the other flat owners in your building and together acquire the freehold.

What are the benefits?

- (a) You are no longer dependent on a landlord, so you can manage the property yourselves or appoint your own managing agents.
- (b) You will have protected your flat from loss of value as a result of the declining Lease term.
- (c) You can grant yourselves new long Leases without paying a premium and you will no longer have to pay ground rent.
- (d) A property is more marketable when sold with "a share of freehold".

Does my building qualify?

Although there are exceptions, the majority of blocks of flats including houses converted into flats are capable of being acquired under the legislation (the Leasehold Reform Housing and Urban Development Act 1993 as amended by the Commonhold and Leasehold Reform Act 2002).

Do I have to live in the property or have owned it for any period of time?

There is no requirement that you reside at the property and, unlike with Lease extensions under the legislation, you do not have to have owned the property for two years.

How many flats must participate?

At least two thirds of the flats in the building must be let on long Leases and at least half of the total number of flats must participate in the acquisition.

What if I own more than one flat?

If you own three or more flats in the building you are not a Qualifying Tenant and cannot participate. Those flats also cannot be included in the calculations referred to above.

What if part of the building is used for non-residential purposes (for example a shop on the ground floor)?

Provided not more than 25% (excluding communal areas) is given over to non-residential use the building can still qualify.

What if there is a Head Lease?

Provided you meet the other qualifying criteria, you can acquire the freehold and head leasehold interests.

What land do you acquire?

You are entitled to acquire the freehold of the building and to claim any "appurtenant areas" i.e. common parts, communal grounds, parking spaces etc which the Leases indicate you have a right to use.

If you would like further advice regarding the process and a free information sheet, please contact Chris Macartney or Kate Hawken on 020 8290 0440 or email kate.hawken@thackraywilliams.com