



Myerson Real Estate Litigation

Our guide to extending the lease
of a leasehold property

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Welcome

At Myerson, our Real Estate Litigation solicitors are experts in advising on all aspects of property disputes. We are the firm of choice for both landlords and tenants of commercial properties. We act as trusted advisers, resolving all aspects of property disputes and providing positive outcomes.

Why Myerson?

We are proud to act on behalf of a wide range of clients be they property owners, landlords or tenants in connection with commercial and residential property disputes.

Our specialist, dedicated team of property dispute solicitors have in-depth knowledge and a wealth of expertise in both bringing and defending complex and high-value matters.

We predominantly act for landlords, tenants, surveyors, developers, and property management companies across the UK. Whether you are a commercial or residential landlord or tenant, we offer high standards of professionalism and a wealth of experience, advising you with any dispute that arises.

As a firm, we are proud to be ranked as 'Top Tier' in the prestigious international directory **The Legal 500**, and commended by The Times '**Best Law Firms 2019**'. This means you can be certain that you will be receiving the highest quality legal advice and that we can advise you on complex real estate litigation issues.

You can find out more about our Real Estate Litigation Team by clicking [here](#).



How We Work.

Every client and case is different, and we are here to support you every step of the way.

Personal Partner-Led Service. Our experienced solicitors get to know you and your matter inside out, so we can best advise you. We know that dealing with litigation can be stressful and we aim to take that stress away from you. We strive to become your trusted adviser, providing value and most of all a genuine, personal service.

The Highest Level Of Expertise. Combining commerciality, practicality and legal expertise enables us to deal with real estate litigation matters in the most effective way.

A Team You Can Trust. We help clients nationwide with complex cases, acting for businesses who need help resolving real estate litigation matters. You can rest assured that our expert team knows its stuff!



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The solicitors that will be working with you are specialists.

All of the solicitors in our real estate litigation team are specialists and have a detailed understanding of real estate law and procedures. You can find out more about our Real Estate Litigation Team by clicking [here](#).

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Extending the lease of a leasehold property

Background

The Leasehold Reform, Housing and Urban Development Act 1993 (the 1993 Act) gives the leasehold tenants of flats the right to acquire a new lease on the payment of a premium subject to the fulfilment of the statutory criteria (the Formal Route) or by asking the freeholder to negotiate a new lease (the Informal Route). The exercise of this right is more commonly known as a lease extension claim.

Informal Route

Under the informal route, a leaseholder can approach the freeholder to ask whether they will negotiate a lease extension. There is no obligation on the freeholder to respond or even agree to the lease extension. If the freeholder does agree, the parties will negotiate.

Starting the process informally could save time and money. However, there are risks with going down this route, as the freeholder may only agree to extend the lease by including onerous terms in the lease or for a high premium.

Formal Route

Under the formal route, described further below, offers more protection for a leaseholder. However, there is a procedure and strict timescales that must be followed.

The right under the formal route is to add 90 years to what is left on the existing lease at a 'peppercorn rent', which means that no ground rent is paid. However, the landlord is entitled to a premium for extending the lease, which is based on a formula set out in the 1993 Act.

Qualifying for a lease extension

The right to extend your lease depends on you meeting certain conditions.

To be a qualifying leaseholder

It must be a long lease, originally for a term of more than 21 years, which you must have held the lease for the past two years (the right can be assigned if you are looking to sell the property or purchase a property with a short lease).

The procedure for extending a lease

The procedure for extending your lease is set out in the 1993 Act and it has strict timescales. The first step would be to serve a section 42 notice. However, to do this you will need to have instructed a surveyor to determine the valuation, as the premium you believe is payable needs to be included in the notice.

Once the section 42 notice has been served, it has the consequences of you not being able to serve another notice whilst that one is in force. If the notice is withdrawn, no further notice can be given for a period of 12 months.

You (and any joint leaseholders) should sign the notice. However case law has suggested that you can authorise an agent to sign the notice. You can serve the notice in person or post it to the landlord's last known address in England and Wales.

The landlord's response

The landlord must serve a notice in reply within not less than 2 months after service of the tenant's notice. This is referred to as a counter-notice.

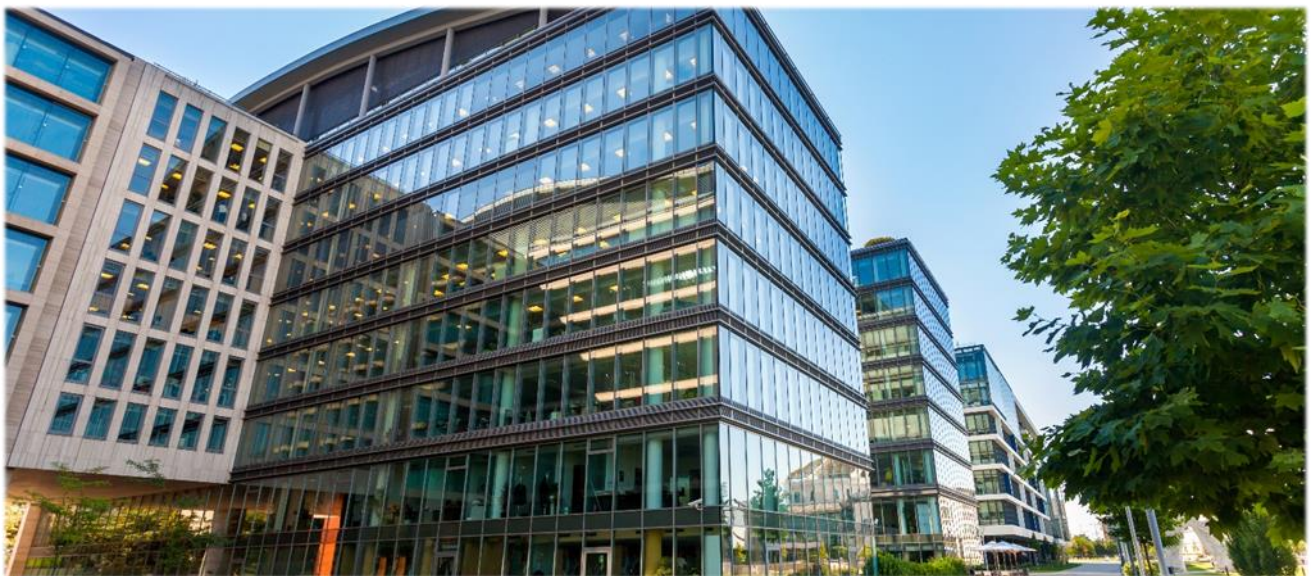
Any landlord has the right to access the flat for valuation purposes and they may require the tenant to pay a deposit and/or deduce title.


The landlord can ask for a deposit of greater than £250 or 10% of the premium or other sums payable as proposed in the tenant's notice.

Procedure following the date allowed for the landlord`s reply

If the landlord admits your claim in the notice in reply, the procedure to follow is governed by the regulations, which set out the conditions of sale. These apply as well as the negotiations to agree the price.

If the price and terms are not agreed between 2 months and 6 months after the service of the counter-notice either party may apply to the First-Tier Tribunal for determination. The fee for applying to the tribunal is £100, and the hearing fee (once you receive notice of a hearing date) is £200. The tribunal's decision becomes final after 28 days. If you do not agree with the tribunal's decision, you can appeal to the Upper Tribunal (Lands Chamber) before the decision becomes final, but only if you have the tribunal's permission. After the tribunal's decision becomes final, you and the landlord have two months to enter into the new lease. If you do not enter into the new lease within two months of the tribunal's decision becoming final, you have a further two months to apply to the court to order the landlord to meet their obligations.





Don't just take our word for it...

"Thank you once again for your work on our matter, the service we've received from Myerson has been second to none".

"The team at Myerson Solicitors is timely and very responsive".

"Thank you very much for all your efforts, the professional and efficient management of the case and the shrewd counselling we received from you in this matter".

"The team at Myerson are client-friendly and clear and incisive thinkers".

"Thank you for all your help and support in successfully resolving my case, which would not have been achieved without your assistance".

"The team at Myerson are excellent at every level with tremendous strength in depth".

"The members of the team are all exceptional – proactive, excellent communicators, engaging and consistently highly effective".

"The team are exceptional, dynamic and creative litigators with excellent communication skills, tenacity and a proven track record of success in the most complex and challenging of cases".

"The team are commercially astute, incisive, positive and assured".

"All levels of the team reflect the same high level of knowledge and expertise allowing no weak links in the chain, which in turn ensures that best interests are safeguarded".

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You're in safe hands!

If you would like further information about how we can help you with real estate disputes, or if you have any questions, please do not hesitate to contact a member of our team today.

Call: 0161 941 4000

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SCAN ME



Because
life is rarely
black and
white.



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