



Myerson Real Estate Litigation

Our guide to buying the freehold
of leasehold houses

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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!



Your Solicitors



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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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Buying the freehold of lease houses

Background

The Leasehold Reform Act 1967 (the 1967 act) gives leasehold tenants of houses the right to buy the freehold. The right to buy the freehold (and any intermediate leasehold interest, for example the head lease) without the landlord's agreement is called 'enfranchisement'.

Some landlords will sell the freehold without you needing to make a formal claim.

The 1967 act has been amended and extended over the years, which has made the rules for calculating the price complicated. The latest amendments are set out in the [Commonhold and Leasehold Reform Act 2002](#), which simplified the rules for qualifying for enfranchisement and gave leaseholders extra rights.

Qualifying for enfranchisement

The right to enfranchise depends on the house, the lease and you meeting certain conditions.

The house

The house must be a building which is reasonably considered a house, divided vertically from any adjoining house. It does not matter if the building has been divided into flats as long as you have the lease of the whole house.

The lease

It must be a long lease, originally for a term of more than 21 years or with a right to renew.

The leaseholder

You must be the leaseholder of the house at the time you apply for enfranchisement and must have held the lease for the past two years. (Also, if you have the right to buy the freehold, if you die your personal representatives can serve a notice to buy it within two years of the grant of probate or letters of administration.)

What is included in the sale?

The right is to buy the freehold of 'the house and premises'.

The definition of 'premises' under the act includes any garage, outhouse, garden, yard and any items let to the leaseholder with the house. The premises must be let with the house, but this could be under an extra lease or deed.

The landlord can ask for the premises to be included in the sale if keeping them would cause the landlord hardship or inconvenience. Or they can ask to keep certain premises if they have an interest in these and might suffer hardship or inconvenience as a result of selling them.


The procedure

The procedure for buying the freehold is set out in the [1967 act and in the Enfranchisement Regulations \(the regulations\)](#). The procedure for houses does not follow the same clear timelines as when enfranchising flats or extending your lease.

The tenant's notice

You start the process by serving a tenant's notice on your landlord. Your landlord (or 'reversioner') is the person who has a tenancy of 30 years or more than you. This will usually be the freeholder. If there are any other landlords besides the freeholder, you should also serve a notice on them.

The notice should be in the form set out in the regulations (the prescribed form) or should include the same information. If in doubt, it is best to use the prescribed form.



You do not have to include a proposed price in the notice. Serving the notice creates a contract between both sides to grant and accept the freehold. The contract is on the conditions of sale set out in the regulations. The price must be agreed using the formula in the legislation, see below.

You (and any joint leaseholders) should sign the notice. 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

If the landlord wants to serve a 'notice in reply', they should do this within two months of the date of the tenant's notice. If the landlord does not serve a notice in reply, this does not prevent them from negotiating over the valuation or challenging whether the tenant's notice is valid, although there could be cost consequences if the matter goes to court. Also, if the landlord does not serve a notice in reply, they cannot later challenge the extent of the premises they want to be included in, or excluded from, the claim.

If the landlord serves a notice in reply, the notice should state whether the landlord admits your claim to buy the freehold and, if not, why not.

The landlord can ask for a deposit of three times the yearly rent of the property.

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.

Under the regulations, the sale should complete at least four weeks after the price is agreed. If you and the landlord cannot agree a price, you should apply to the First-tier Tribunal (Property Chamber), or the Leasehold Valuation Tribunal in Wales, for a decision on the price. The tribunal may also deal with any disputes relating to the sale (for example, the extent of the house or premises or the rights or conditions to be included in the sale).

If the landlord does not admit your claim (either in the notice in reply or by not serving a notice in reply), you will have to apply to the county court to buy the freehold.

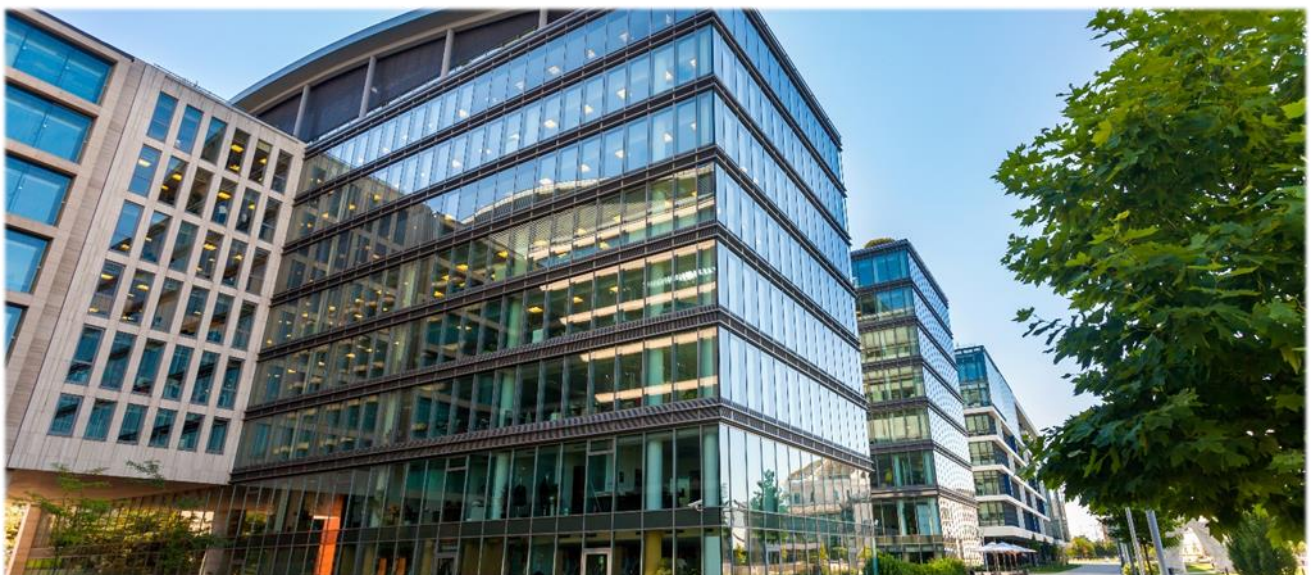
Completing the sale


The sale can complete four weeks after the price is agreed. However, either you or the landlord can choose the actual completion date by giving the other a notice specifying the first working day four weeks after giving the notice.

If either you or the landlord fails to meet the responsibilities arising from the tenant's notice or conditions of sale set out in the regulations, the other can serve a two-month 'default' notice. This notice should refer to condition 10 of the conditions of sale, explain which responsibility has not been met, and ask for this to be put right before the end of the notice.

If the leaseholder does not meet the requests of the default notice, the contract will end and the landlord can keep the deposit. If the landlord fails to meet the requests of the notice, the contract will end, you do not have to pay the landlord's costs, and the landlord will return the deposit.

In most cases, you will want the contract to be completed so are unlikely to serve a default notice. If the landlord is not meeting their responsibilities, you are more likely to use other solutions, such as applying for a court order to force the landlord to complete the sale.





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.

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SCAN ME



Because
life is rarely
black and
white.



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