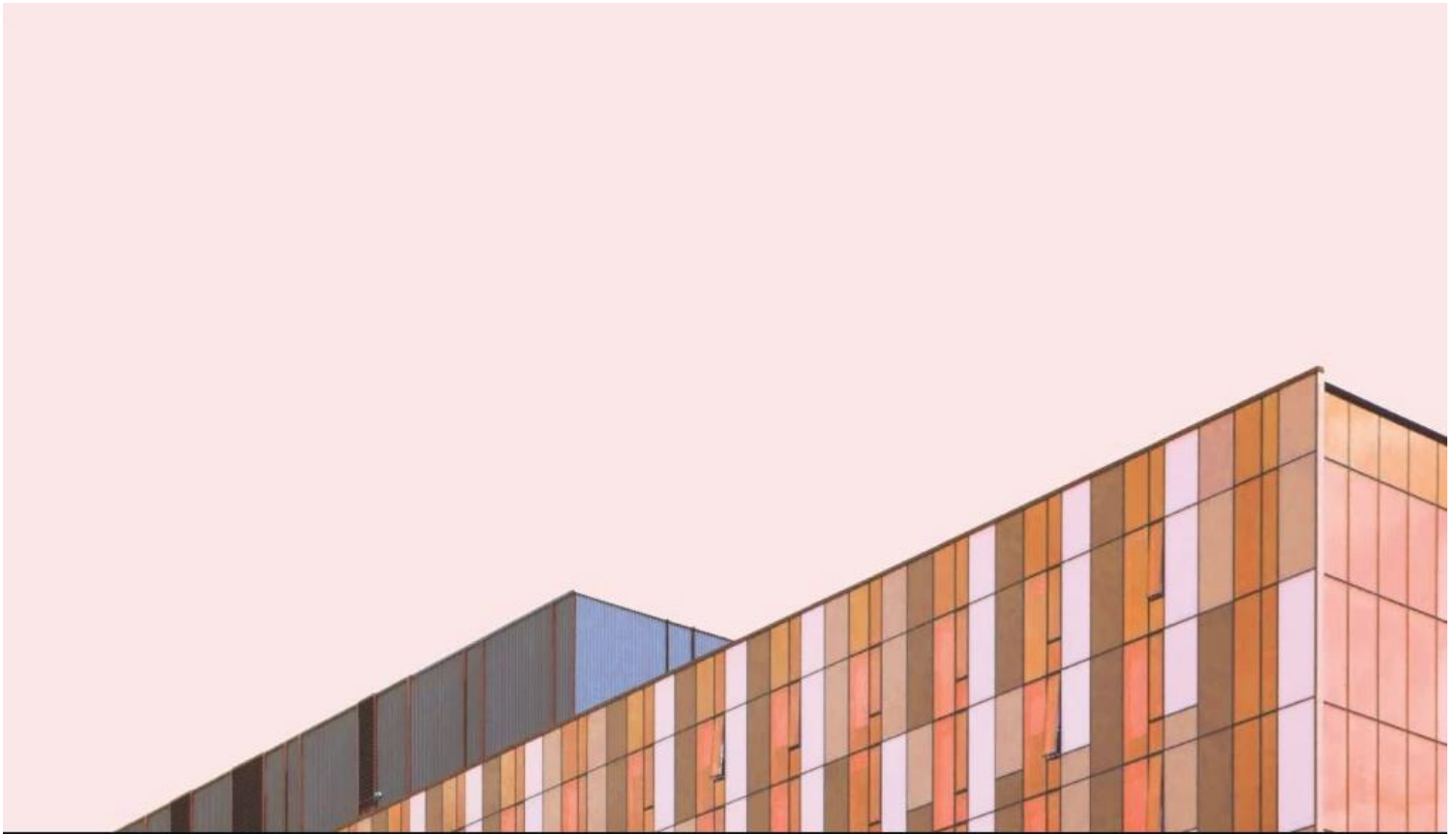


A Guide to Leaseholder Rights



Specialist Commercial Property Solicitors

Introduction



When you buy a leasehold property, it is, in plain terms, a long-term rental. You are not purchasing the land itself or in face the property that it stands on, but the right to live there for a certain number of years.

We have put together a brief guide to ensure that your understanding of leasehold property is as straightforward and clear as possible.



How long is a lease?

This, of course varies, depending upon what type of property you hold a lease over.

Flat leases are commonly either for a term of 99 or 125 years, whereas leasehold houses tend to have a lease for 999 years.

Leasehold property can range from purposes-built blocks of flats and houses converted in to flats to flats over shops and commercial premises.

If you choose to extend your lease, it is imperative that we first explain the rights that you have as a leaseholder.



These leaseholder's rights include:

- The right to receive information from the landlord.
- The right to be consulted in relation to any major works the landlord proposes to carry out to the property at the tenants' expense.
- The right of challenge service charges.
- The right to apply to the Tribunal (Property Chamber) for the appointment of a new manager, where the landlord's management is deficient.
- The right of first refusal to purchase the landlord's interest, if the landlord wishes to sell their interest in the property.
- The right to vary the terms of the lease where it does not make proper provision for such things as the repair and maintenance of the building.
- The right to demand a new extended lease from the landlord for a term of 90 years plus the remaining term of the existing lease. This price will be agreed between the parties or in default of agreement to be determined by the Tribunal.
- The right to individually (if a house) or collectively (if a flat) purchase the freehold interest in the property. This price will also to be agreed between the parties or in default of agreement to be determined by the Tribunal.

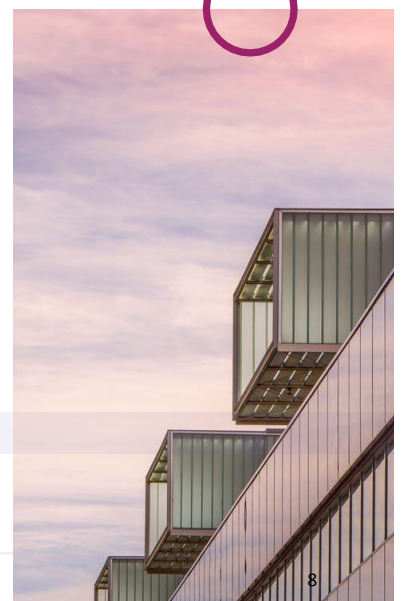
If You Want to Extend a Lease:

If you require specialist advice and to discover whether you qualify for a lease extension, consult our guidelines below.



To Extend a lease:

- When it comes to leasehold property, to avoid any problems in the mortgaging and/or sale of the property, ensure that there are at least 80 years left on the lease.
- If the lease falls below 80 years, the property is likely to diminish in value year by year. This can often trap you until the position is redressed by either collectively purchasing the freehold interest or obtaining a lease extension.
- The collective purchase of the freehold is often difficult as a sufficient number of flat owners must be willing to cooperate with one another to agree and fund the purchase price.
- Therefore, in leasehold properties with a significant number of flats it is often easier and more cost effective for an individual flat owner to simply apply for a statutory lease extension of their individual lease.
- The relevant statute lays down a number of qualifying criteria for a lease extension, both in relation to the property itself and the leaseholder.



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