

**YOUR RIGHTS TO EXTEND YOUR LEASE AND BUY THE FREEHOLD:
A LITTLE INFORMATION SHEET FOR OWNERS OF FLATS**

The rights	How and what do you do?	Likely cost.
Extend your lease?	<ul style="list-style-type: none"> You must have held the lease for 2 years. You will need to serve a Notice on the Landlord, but we suggest you take advice first. If you cannot agree a price, you will need to have it settled by the Leasehold Valuation Tribunal (LVT). 	<p>Depends on the length of the Lease. An application to the LVT is likely to cost about £2,000 to £4,000.</p> <p>If the Lease has fewer than 80 years to run, the Landlord is entitled to half of the "marriage value" , being the added value created by lengthening the lease.</p>
Collectively buy the freehold.	<ul style="list-style-type: none"> No more than 25% of the building must be in non-residential use (ie. commercial). At least two thirds of the flats in the building must be occupied by long leaseholders. Over half of the long leaseholders must take part. You need to have a vehicle for the vesting of the freehold. Either a company or trustees. You will need to serve a Notice on the Landlord, but we suggest you take advice first. If you cannot agree a price, you will need to have it settled by the Leasehold Valuation Tribunal (LVT). Note that you cannot just buy the freehold to your flat. The option of converting a block to Commonhold also arises. 	<p>Again, depends on the length of the Leases. Other factors include the Ground Rents, and lost management or insuring opportunities. An application to the LVT could be again quite expensive.</p> <p>If the Lease has fewer than 80 years to run, the Landlord is entitled to half of the "marriage value" , being the added value created by combining interests.</p>
Take over management of the building (see note.)	<p>You have the right to take over the management of the building if:</p> <ul style="list-style-type: none"> No more than 25% of the building must be in non-residential use (ie. commercial). At least two thirds of the flats in the building must be occupied by long leaseholders. Over half of the long leaseholders must take part. You need to form a "Right to Manage Company". 	<p>Probably the cheapest way of dealing with difficult or predatory freeholders.</p>

This is a very brief guide for clients issued by A. L. Hughes & Co. It is not intended as a detailed exposition of the law, and in all cases you are advised to take specific advice on any particular situation.