

## Who are we?

Osler Donegan Taylor is a modern and friendly firm of solicitors based in Brighton & Hove specialising in all areas of Property Law. Our enfranchisement team has been successful in assisting flat owners to purchase their freeholds across the South East since 1998. The Partner currently in charge of our Enfranchisement Department is the Solicitor for the Brighton & Hove District Leaseholders Association and is on the LEASE panel of Solicitors. We can therefore draw on a wide range of experience in acting for both lessees and freeholders.

We understand the reasons why you may be thinking about purchasing your freehold and the benefits that you stand to gain from owning it.

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## Interested in finding out more?

We carry out free drop-in clinics at our offices every Tuesday afternoon between 2pm and 3.30pm. Feel free to drop in and speak to one of the team to find out more about buying your freehold. Alternatively call us on 01273 710712 or send us an e-mail and we will be happy to explain the process in more detail.

Finally, we'll be happy to provide you with a full written quote.

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Osler Donegan Taylor  
*Solicitors*

Thinking  
of  
buying  
your  
freehold?

Finding the best solution

Finding the best solution

## The Law

Parliament passed the Leasehold Reform Housing and Urban Development Act in 1993. This governs (amongst other things) the law relating to the purchase of your freehold.

Enfranchisement (the process of buying your freehold) is a highly specialised area of law and this is a complicated piece of legislation. Broadly speaking, to qualify to purchase your freehold you must fulfil the following criteria:

- There must be at least two flats in your block
- At least two-thirds of the flats in your block must be let on long leases and at low ground rents
- Of those flat owners with long leases and low ground rents, at least one-half must agree to participate in the purchase of the freehold
- Your block must have no more than 25% of its floor space used for commercial purposes

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## What are the benefits of purchasing my freehold?

Many flat owners want to purchase their freehold simply to add value to their flats. Others find that owning their freehold allows them to take control of the management of their building as a whole and gives them the power to dictate how often the building needs maintaining, which builders to use and, most importantly, how much that is all going to cost.

In our experience, the benefits of owning your own freehold as a flat-owner are threefold:

### i) Lease extensions

Once flat owners have control of the freehold they are in a position to grant themselves an extension to their lease with only relatively small legal costs.

Having a longer lease can be very significant, because it can be difficult to sell a flat which has less than 80 years to run on the lease. Some mortgage companies can be unwilling to lend on such properties.

The boom in development in the South East in the 1970s and 1980s meant that many long (99-year term) residential leases were granted during that period. Nowadays many buyers looking to buy flats with around 80 years (or less) left to run are often therefore advised to ask their sellers to obtain lease extensions from the freeholder in order to be able to proceed with the sale.

If you do not own the freehold you are still legally entitled, in certain circumstances, to a lease extension (for more details see our leaflet called "Thinking of Extending Your Lease?"). However you will be obliged to pay a large premium to the freeholder, together with the freeholder's legal costs of dealing with the lease extension.

Once the flat owners have control of their freehold they can grant themselves lease extensions for anything up to 999 years without paying any premium and paying only the relatively small legal costs involved in preparing the paperwork.

### ii) Control over the building

Buying your freehold immediately eliminates any existing or potential disputes with the current freeholder.

We know from experience that maintenance and ground rent demands from freeholders are increasing year after year. Many flat owners resent having to pay for things that they do not consider necessary.

Owning your freehold gives you control over whether to demand maintenance charges or rent. We find that this alone often results in a considerable saving to flat owners.

### iii) Variations of your existing lease

Buying your freehold allows you to control the terms of your lease. Therefore if you want to carry out those alterations that will increase the value of your flat, or if you see potential in the roof space for an extra room, then those flat owners with a share in the freehold can grant you those consents under the lease. The current freeholder would almost certainly charge you for the permission to go ahead!