

THE LEASE EXTENSION PROCEDURE

Do you qualify to extend your lease?

Qualification Criteria:

- The property must be a flat (if your property is a house you may have a right to extend your lease or buy your freehold under the 1967 Act).
- You must have a long lease, granted for a term exceeding 21 years when granted.
- You must have owned the flat for more than two years (the date is calculated from the date you were registered as the proprietor at the Land Registry).

No

You do not qualify for a statutory lease extension. You may still be able to negotiate directly with your landlord.

Yes
↓

What you/we need to do to prepare for starting the lease extension claim:

- Obtain copies of your existing lease, any deeds of variations to check for any defects.
- Engage a specialist valuer to advise the premium payable for the lease extension.
- Consider funding.
- Calculate that the remaining term on lease and check that it is not about to drop below 80 years. If so need to act very quickly to avoid marriage value becoming payable. (This would significantly increase premium).
- Section 42 Notice of Claim prepared.

Notice of Claim served

The notice will include a specific date for the Freeholder counter notice which must be at least two months from the date which the Notice of claim is served.

Rights of the Freeholder following service of Notice of Claim

- Freeholder/ their valuer have the right to access the flat to obtain a valuation.
- To request that you pay a deposit of 10% of your proposed premium (or a minimum of £250.00)
- To request you deduce your title to prove that you qualify for a lease extension.



Freeholder fails to serve Counter Notice

- Tenant must apply to the County Court to determine the terms of acquisition of the new lease in accordance with the proposals contained in the tenants notice.
- This must be done no later than six months after the date the counter notice was meant to be served.

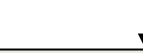
Freeholder serves counter-notice but disputes tenants claim

- Freeholder must state his reasons why they do not believe the tenant had a right to acquire a new lease.
- Must apply to the County Court within two months of the Counter Notice for a declaration that the tenant is not entitled to the lease extension.

Freeholder objects on redevelopment grounds

Freeholder must apply to the County Court for an order that the right to a new lease shall not be exercisable.

Freeholder serves counter-notice admitting tenants right to new lease but disputes the terms proposed (most common)



Negotiation Period

The Freeholder and tenants valuers will attempt to negotiate and agree terms in dispute.



Tenant has option to apply to the First-tier Tribunal if no agreement reached within 2 months (latest date for application is 6 months)

Premium and terms of the new lease agreed between parties



First-tier Tribunal will issue directions to help prepare the case for hearing



First-tier Tribunal will determine terms in dispute and terms of acquisition



Routes of appeal to Lands Tribunal and beyond available in some circumstances

Missing Landlord?

- You still qualify to extend your lease
- In this instance the tenant can apply to the County Court for a order.
- Where there is more than one landlord and only one can be ascertained, the competent landlord must apply to the County Court for directions.
- Please contact us for further advice and guidelines