

## BUYING THE FREEHOLD OF YOUR HOUSE

If you are the owner of a house which is held on a long lease (i.e. one that was granted originally for a term greater than 21 years) rather than owned outright, you are now able to purchase the freehold of that house, whether or not you live there. It is sufficient that you have held the lease for either the past 2 years or for at least 2 years during the past 10 years.

The procedure is governed by the Leasehold Reform Act 1967.

- ❑ Claims are initiated by you giving to your landlord a Notice in the prescribed form. This is known as the Notice of Claim.
- ❑ Within 2 months of service of the Notice of Claim your landlord must give you a Notice in Reply either admitting the validity of the claim or otherwise.
- ❑ In those limited cases where your landlord can object to the claim, provision is made for the matter to be referred to the County Court.
- ❑ Generally speaking, however, the landlord admits your claim but does not agree the price you wish to pay for the freehold. Where the parties cannot agree on the price payable (or the amount of the landlord's costs), then an application to the Leasehold Valuation Tribunal (LVT) must be made and the LVT will then determine the price.
- ❑ Gregsons charges for preparing and serving a Notice of Claim and dealing with your landlord's Notice in Reply are £500 plus VAT and disbursements. The disbursements will be the cost of obtaining copy title documents from the Land Registry and registering the Notice to protect your position. These will amount to approximately £60.
- ❑ Once the purchase price has been agreed, there will be additional work required in agreeing the terms of the transfer of the property from your landlord to yourself and completing and registering your title, to include dealing with the necessary Inland Revenue and Land Registry requirements. Our charges for this work will be between £350 and £450 plus VAT and disbursements, depending on whether or not you have a mortgage. If you do, then we will have to liaise with your Mortgage Lender, since you will have to enter into what is known as a Deed of Substituted Security with them. In addition, if the completion monies are to be telegraphically transferred to your landlord's solicitors there will be a further charge of £30 plus VAT for providing this service.

- In the unlikely event that the price cannot be agreed and you have to make an application to the LVT which, thankfully, is the exception rather than the rule, then our additional charges would be calculated on an hourly basis. The rates would be agreed with you beforehand and, at that stage, we would give you as accurate an estimate as possible as to what the likely total charges would be.