

LEASEHOLD REFORM TEAM

Expert Leasehold Advice for Landlords



Leasehold Reform team

Knight Frank's Leasehold Reform team is based in our head office in Baker Street. We provide appraisal advice in connection with applications to extend leases or to buy the freeholds of houses or blocks of flats. We have a wealth of experience in the field of leasehold reform law and valuations which stem from the legislation. Coupled with our in-depth knowledge and support from our network of sales and lettings offices throughout London, we are uniquely placed to offer unparalleled advice and achieve the best results for our clients.

Examples of how we can help

Claims made under The Leasehold Reform Act 1967 (as amended)

1) When a tenant exercises their individual right to acquire the freehold of their house.

Qualification

In order to qualify, the building must be 'a house'. The tenant must have owned the lease for a minimum period of two years. They no longer have to have lived in the house as their main home, so the lease can be in the name of a company and the house can be let.

Procedure

The process is started by the tenant serving a Notice on you as the freeholder (and any head leaseholder). This fixes the valuation date. You reply with a Counter-Notice, usually two months later. This accepts or denies the claim, and is usually accompanied by a letter which proposes a price at which you are prepared to sell. At any time after the Counter-Notice either party may refer the matter to a tribunal, although negotiations can continue up until the date of the hearing, which is usually some three months after the referral.

Claims made under The Leasehold Reform, Housing and Urban Development Act 1993 (as amended by the Commonhold and Leasehold Reform Act 2002)

2) When a tenant exercises their individual right to extend their existing lease by 90 years at a nil ground rent following service of a Section 42 Notice of Claim.

Qualification

In order to qualify, the tenant must have a lease which, when it was granted, was for a term of over 21 years. It does not matter how long now remains. They must have owned this lease for a minimum period of two years.

Procedure

In summary, the tenant serves a Notice on you as the freeholder (and any head leaseholder), stating a realistic figure which they are prepared to pay for the lease

extension. You reply with a Counter Notice which will put forward the price at which you are prepared to sell. There is then a period for negotiations. If an agreement is not reached, the matter is referred to a tribunal for them to determine the figure.

3) When a number of qualifying tenants exercise their right to collectively enfranchise, seeking to buy the freehold reversion.

Qualification

The building must be a qualifying block (self-contained unit) consisting of at least two flats held by qualifying tenants. A qualifying tenant is an individual or a company who holds a long lease (defined as being one granted for a term in excess of 21 years). There is no minimum period of ownership and tenants do not have to occupy the flat, which can be let. In order to proceed, at least one half of the total number of qualifying tenants in the building must agree to participate in a claim.

Procedure

The procedure is broadly the same as for extending an individual lease except the notice is served by the nominee purchaser instead of the individual leaseholder.

From large estates to individual private landlords

We are a well-resourced team that specialise solely in leasehold reform matters. We have the systems in place to co-ordinate multiple claims on larger estates or portfolios and to deliver timely updates on the progress of those claims. Our advice is also tailored to suit the specific needs of individual private landlords involved with one-off claims, clearly setting out each stage of the process.



How we add value

We have approximately 70 years combined experience of advising on leasehold reform matters.

We have access to over 120 agents in 25 prime central London offices who are the market leaders and experts in their fields.

We have a bespoke Record Property System giving us unrivalled insight into the marketing and transacting of comparable properties that are otherwise unavailable on property portals such as Lonres.com.

We have a good working relationship with the main surveyors, valuers and solicitors who practise in the field of leasehold enfranchisement. Through being personable, acting as a team and working together, claims can be dealt with quickly and the best results achieved. The intangibles are often the key to adding value.

We advise on changes to the legislation, including keeping clients informed of relevant tribunal decisions which might affect premium receipts as and when they are published.

We help with budgeting and cash-flow forecasting.

On a technical level, we add value to premium receipts by recognising:

- ♦ Development potential through additions and extensions
- ♦ Potential amalgamations of common parts or separate units
- ♦ Potential reconversions (for example, from flats to a house)

We take a commercial approach and deliver in good time.

Other services and areas where we can help

- ♦ Negligence claims
- ♦ Claims under the Landlord and Tenant Act 1987 in relation to right to buy
- ♦ Expert witness work and provision of evidence
- ♦ Mediation (CEEDA accredited)

Example landlord clients

- ♦ The Church Commissioners for England
- ♦ The MCC
- ♦ Standard Life
- ♦ Furzecroft
- ♦ Peterhouse, Cambridge
- ♦ Fivecourts Limited
- ♦ Great Portland Estates
- ♦ Derwent London plc

Fees

Our role can be broadly split into 3 categories:

1. Valuation
2. Negotiation
3. Representations before a tribunal

We would be pleased to quote fees upon request.

To find out more speak to one of our team

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Our team



Jeremy Dharmasena

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Jeremy heads up our Leasehold Reform team, having joined Knight Frank from Gerald Eve in 2010 as a Partner. He specialises in carrying out Leasehold Reform work of prime central London residential properties and has nearly 20 years' experience in this field. He has previously advised several major central London landlords including The Cadogan, Grosvenor and Howard de Walden and currently advises the Church Commissioners for England and Ilchester Estates. He also acts for private landlords and headlessees in Belgravia, Chelsea, Holland Park, Kensington, Knightsbridge, Mayfair, Marylebone and other parts of prime central London. Jeremy works with many of the leading solicitors and barristers in the leasehold reform arena and appears as an expert witness at Tribunals.

Jeremy was Highly Commended as an expert witness at the 2014 Enfranchisement and Right to Manage Awards.

Jeremy is a member of the Royal Institution of Chartered Surveyors (since 1996) and is an Accredited RICS Valuer, affiliated with their Residential and Valuation Groups.



Robert Orr-Ewing

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Robert was called to the Bar in 1976 and practised as a barrister for six years in the Inner Temple before setting up his own firm which specialised in the letting and management of property. In 1990, the firm was bought out by Knight Frank. From 1993 he has been specialising in leasehold reform work. Robert has represented both tenants and landlords in claims made both within and outside the Act and has appeared in many leasehold valuation tribunals and upper tribunals including several test cases.

Robert was Winner of the 2014 ERMA Outstanding Achievement Award.



Riccardo Carrelli

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Riccardo joined Knight Frank from Cluttons LLP in June 2005, where he acted principally for The Wellcome Trust in connection with The South Kensington Estate. Since qualifying as a Chartered Surveyor in 2006, he has developed his knowledge and experience in leasehold reform work acting on behalf of both landlords and tenants and was made a Partner in 2011.

Riccardo is a member of the Royal Institution of Chartered Surveyors (since 2006) and is an Accredited RICS Valuer, affiliated with their Residential and Valuation Groups.



Vanda Kelsey

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Vanda completed an MA in Law and Property Valuation at City University in 1998 and qualified as a Chartered Surveyor the same year. She is also an Accredited RICS Valuer. After qualifying, she dealt with hotel and leisure related sales, acquisitions and professional work, providing valuations for various purposes including finance for incorporation in the balance sheet. Since 2004 Vanda has specialised in leasehold reform work throughout Central London, acting for both landlords and tenants in statutory and voluntary claims and currently advises the Church Commissioners for England. She has also appeared on several occasions as an expert witness at Tribunals.

Vanda is a member of the Royal Institution of Chartered Surveyors (since 1998) and is an Accredited RICS Valuer, affiliated with their Residential and Valuation Groups.



Vanessa Griffiths

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Vanessa graduated from Edinburgh's Heriot-Watt University with a Bachelor of Science degree in Real Estate Management in 2009. Prior to joining Knight Frank, Vanessa specialised in leasehold reform work with South East Leasehold Chartered Surveyors. Vanessa qualified as a Chartered Surveyor with Knight Frank in 2012 and acts for both landlords and tenants. Vanessa currently advises the Church Commissioners for England.

Vanessa is a member of the Royal Institution of Chartered Surveyors (since 2012) and is an Accredited RICS Valuer, affiliated with their Residential and Valuation Groups.

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