

Collective Enfranchisement (Freehold Purchase)

- 1) Instruct Surveyor for valuation advice (deciding a price to put on the forthcoming notice)
- 2) Serve Initial notice on Freeholder claiming right to enfranchise
Notice must :
 - a) confirm that the flat owners have qualifying interests
 - b) proposed price and terms of new purchase
- 3) Landlord must reply with a counter notice within 2 months.
The counter notice must state whether the landlord:
 - a) considers the flat owners to have qualifying interests
 - b) agrees to the purchase on the terms set out by the tenants

If the landlord disputes proposed terms he/she must propose revised terms in the counter notice

- 4) 2 months are allowed for negotiations. If, after 2 months, no agreement is reached either party can apply for a Leasehold Valuation Tribunal (LVT). Depending on tribunal caseloads you should expect obtaining a determination to take at least 6 months.
- 5) Locate a managing agent who has a legal team who can constitute a residents freehold management company to own the newly acquired freehold interest. Qualifying tenants to identify nominated purchaser i.e. "My new freehold company Limited".
- 6) EITHER AGREEMENT IS REACHED or LVT DETERMINES THE PRICE
- 7) Completing the purchase through the newly acquired freehold management company i.e. "My new freehold company limited"
- 8) A contract agreeing to the purchase must be finally agreed within 2 months of the date when terms were agreed or fixed by LVT.
- 9) Enfranchising tenants must sign contract and pay deposit within 2 months.
- 10) Appoint a managing agent to take over the day to day administration of the freehold management company, company secretarial duties, day to day repairs, emergency maintenance, planned maintenance, etc...
- 11) Landlord must exchange within 7 days.
- 12) Legal title to the freehold property is transferred from the landlord to the newly acquired freehold management company i.e. "My new freehold company limited"
- 13) Management of the property is handed over to new managing agent.