

Lease Extension: The Route to Tribunal

LEASEHOLDER

FREEHOLDER



1 Get a formal lease extension valuation

2 Put in an offer to the freeholder

4 Serve your Section 42 Notice

Dear freeholder
I would like to formally extend my lease for £12,000

3 Freeholder may or may not respond

Dear Leaseholder
I agree; or
I disagree; or
I ignore you

S. 42 NOTICE
90 Years
£Nil ground rent
£12,000

At least 2 months later
(normally 2 months)

5 Freeholder serves Section 45 Notice

S. 45 COUNTER NOTICE
90 Years
£Nil ground rent
£18,000



Leaseholder's Surveyor's Negotiations



Freeholder's Surveyor's Negotiations

2 MONTHS MINIMUM

NO AGREEMENT

2 - 6 months from S.45 counter-notice can apply to Tribunal

Considers:
 ▶ Valuation
 ▶ Section 42 Offer
 ▶ Section 45 Counter Offer
 then decides on your premium



Estimated Tribunal Costs
 £100 Court Application
 £200 Hearing Fee
 £1,000+ for Solicitor to prepare case
 £300/hr for Barrister at hearing
 (if required)

Who pays for the costs at the Tribunal?
 Freeholder must pay for own representation
 The Tribunal does not award costs