ALEP factsheet
Enfranchisement disputes

The First-tier Tribunal (FtT) is part of the Residential Property Tribunal Service and can be a valuable last resort for leaseholders who want to vary their leases or question management charges, the conduct of the freeholder, buildings insurance charges, or other issues.

For freeholders, the FtT of the Property Chamber has jurisdiction to deal with disputes including service charges. For example if a freeholder proposes the service charge budget, which they feel may be subject to challenge, it is possible to make an application to the FtT in advance of setting the budget to have the proposed expenditure declared as being reasonable within the meaning of the service charge legislation.

In addition, if a freeholder is involved in a claim to grant a lease extension of the sale of freehold interest and the price cannot be agreed between the parties, then the FtT has jurisdiction to determine the price that will be paid.

The FtT will require expert evidence and will be able to (if it wishes) provide its own expert view as to the price to be paid. Where an application is made to the FtT costs can only be awarded in certain limited circumstances.

In general, where a leaseholder takes a matter to the FtT, either on a question of service charge or valuation, then both parties must pay their own costs.

There are certain rules relating to potential limits on the ability of a freeholder to recover costs through the service charge budget (in relation to service charge applications) and these should be considered carefully if you are proposing to deal with a challenge made to service charge budget by the flat owners.

Whatever the circumstances, it is important to note that you will need professional support from a specialist leasehold enfranchisement solicitor or valuer. In some cases, you may also need to be represented by a barrister.

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