

ACCA6020 Proposal - Guide to Apartment Leasehold Enfranchisement

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University of Wales
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Guide to Apartment Leasehold Enfranchisement (GALE)

Research Proposal

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James Williams

Contents

1.0	Introduction	1
1.1	Proposal Structure	1
1.2	Website - Guide to Apartment Leasehold Enfranchisement (GALE)	1
1.2.1	The Scale of Leasehold	3
1.2.2	Links to other Useful Websites/Databases	4
1.3	Investigation of Future Development of Website into an App	6
2.0	Background to the Proposed Research	7
2.1	The History of Leasehold	7
2.1.1	Timeline Graphic	8
2.2	The Principle of Leasehold	10
2.3	Recent Legislation (Housing Minister)	11
2.4	Conditions to Enfranchise Apartments	11
3.0	Aims & Objectives	13
3.1	Aim	13
3.2	Objectives	13
4.0	Project Design	14
4.1	Outline of Project Process	15
4.2	Data Collection	17
4.3	Data Evaluation	17
4.4	Risks & Limitations	17
4.5	Ethical Issues	17
5.0	Resources & Planning	19
5.1	Resources Required	19
5.1.1	Hardware Resources	19
5.1.2	Software Resources	19
5.1.3	Other Resources	19
5.2	Planning Chart	20
6.0	Reference List	21
7.0	Bibliography	23
	Table 1 MOSCOW Requirements for Website	15
	Table 2 MOSCOW Requirements Additional for Future App Development	16
	Table 3 Planning Chart	20

Figure 1 Storyboard for Website Use..... 2

Figure 2 The Scale of Leasehold 3

Figure 3 Leasehold Valuation Tribunals 4

Figure 4 NLC - National Leasehold Campaign 5

Figure 5 App for Enfranchisement Guide 6

Figure 6 Password Reset Task Flow Example 6

Figure 7 History - Timeline of Leasehold Laws..... 8

Figure 8 Flow Chart for Collective Enfranchisement 14



1.0 Introduction

1.1 Proposal Structure

1. Introduction
2. Background to Proposed Research
3. Aims and Objectives
4. Project Design
5. Resources and Planning
6. References
7. Bibliography

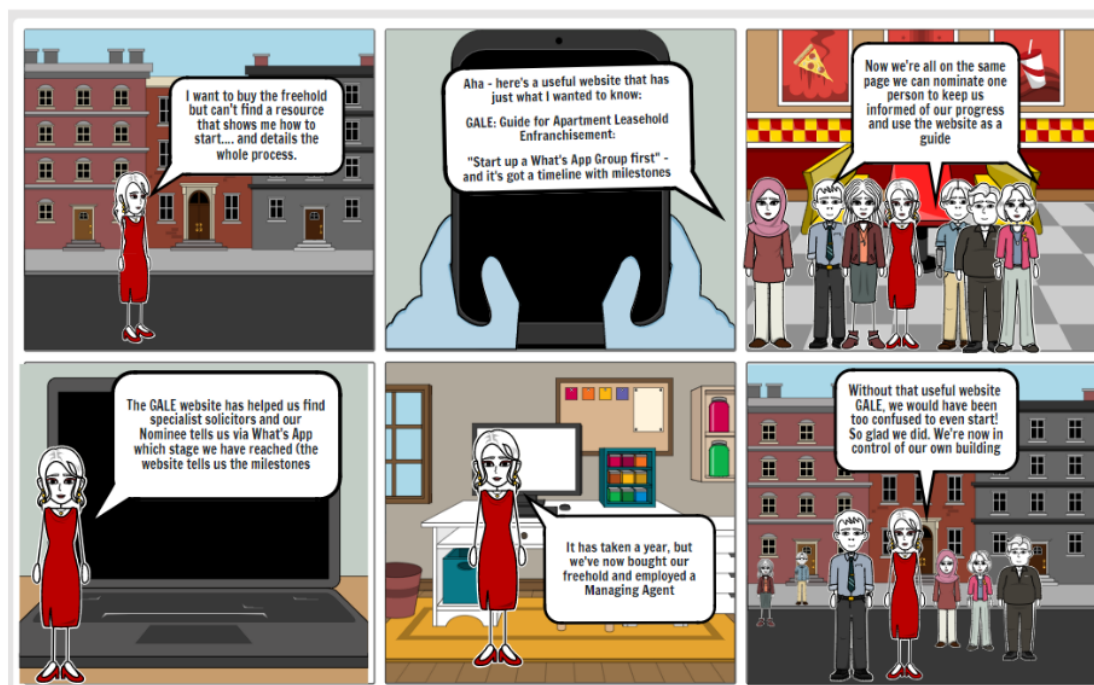
1.2 Website - Guide to Apartment Leasehold Enfranchisement (GALE)

Although gaining the freehold is straightforward for houses, there is a lack of clarity for apartment leaseholders on:

- The pre-requisites for leaseholders to purchase the freehold (enfranchise).
- If eligible, how to go about it.

Figure 1 Storyboard for Website Use

[1]



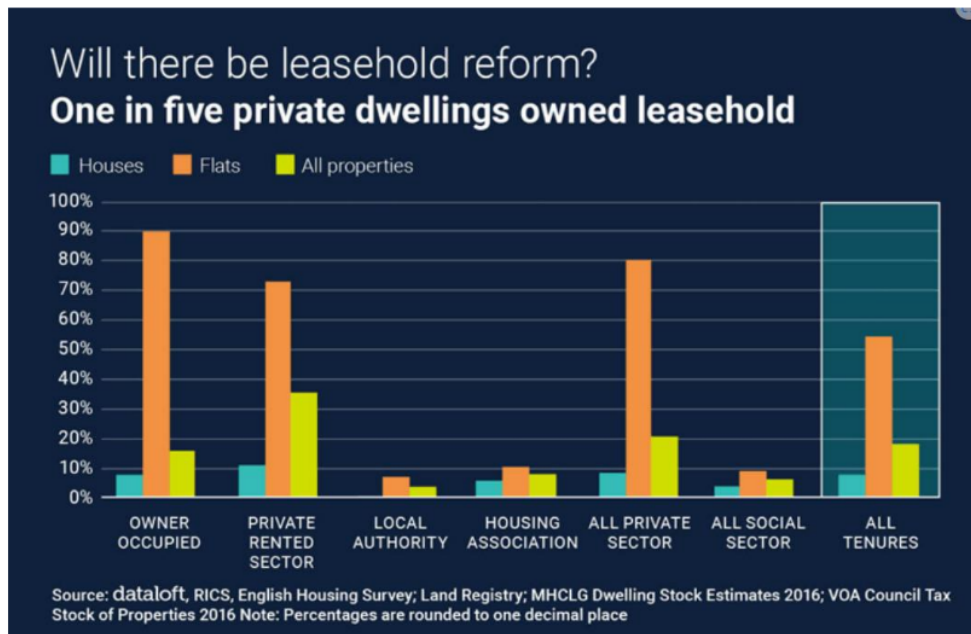
It is proposed to:

- Design and build a website that clarifies eligibility, and helps kickstart the process, to follow up with Solicitors and show timeline with milestones in order.
- Other websites will be linked to provide details (see 1.2.2).
- Proposed website will be aimed at leaseholders to show them practically how to set about organising themselves to successfully enfranchise.
- Once website complete, future development investigations will be carried out to survey users' needs, to distil the website into an App (see 1.3).

1.2.1 The Scale of Leasehold

^[2] In England, approximately 80% of private apartments are leasehold (8.2% houses); over 4 million properties, with 94% in the private sector. Annually approximately a quarter of all residential transactions are leasehold. 42% of all new builds are leasehold.

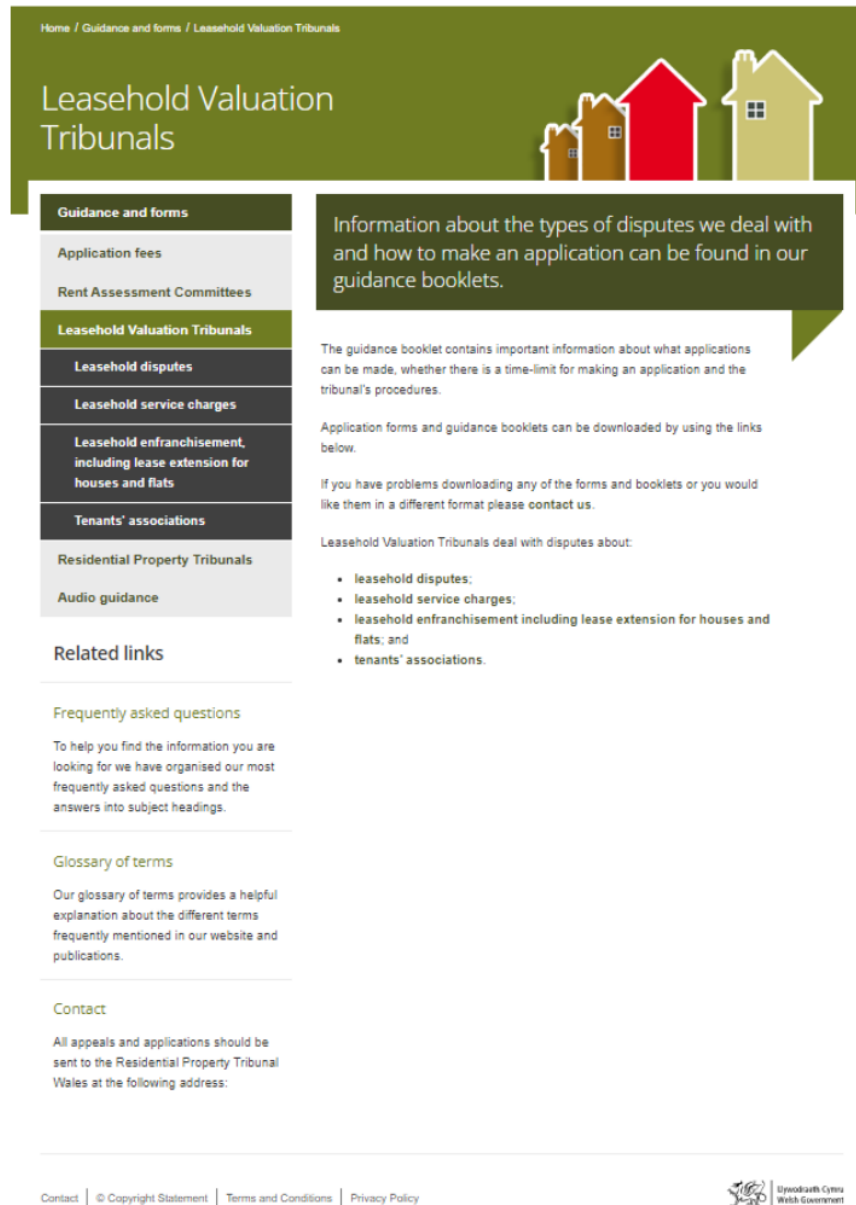
Figure 2 The Scale of Leasehold



1.2.2 Links to other Useful Websites/Databases

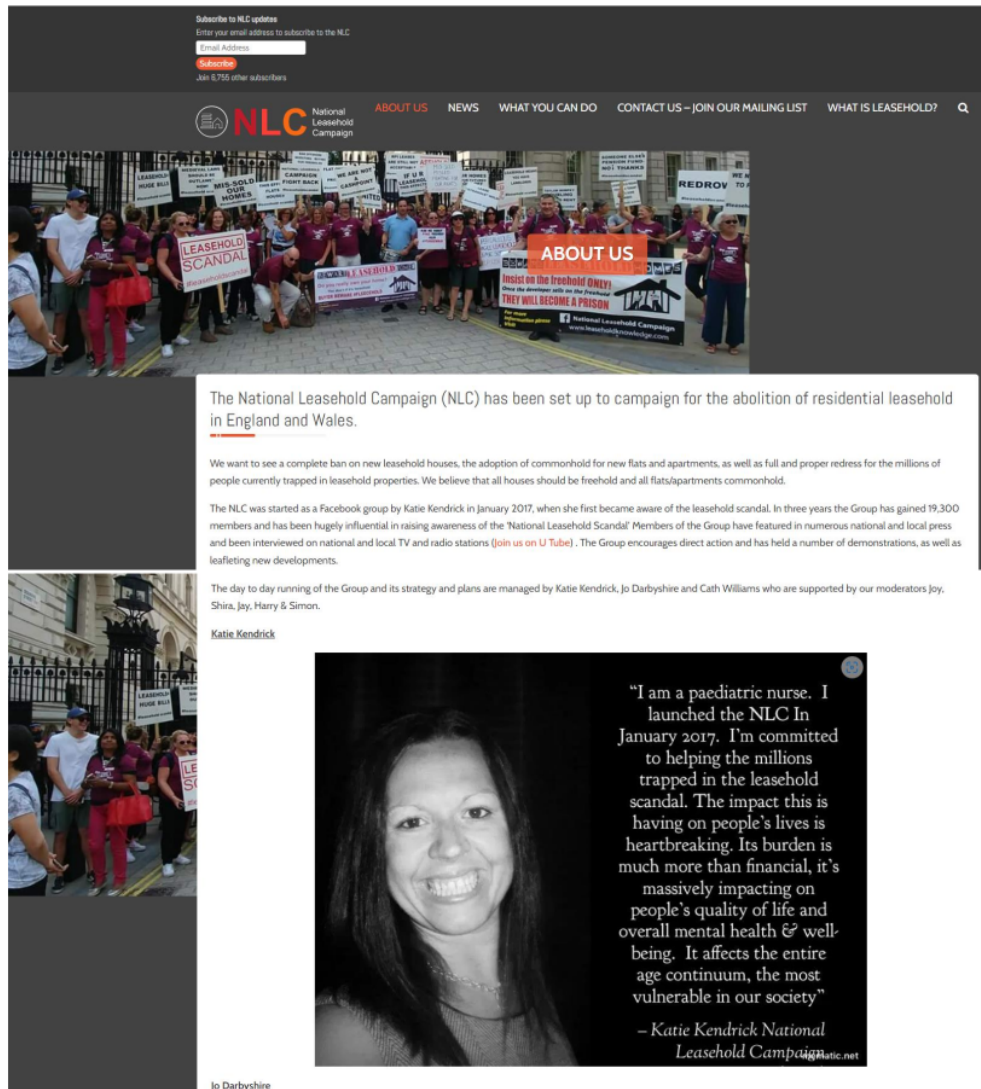
- [3] Leasehold Valuation Tribunals will provide an estimate of how much freeholder should charge for enfranchising each apartment.

Figure 3 Leasehold Valuation Tribunals



- [4] Katie Kendrick's National Leasehold Campaign, for the abolition of leaseholds, provides useful information on the fight against unfair leasehold terms.

Figure 4 NLC - National Leasehold Campaign



1.3 Investigation of Future Development of Website into an App

One lead nominee from each building/estate would have read/write ability; others concerned would only have 'read/contact the nominee' ability.

Figure 5 App for Enfranchisement Guide

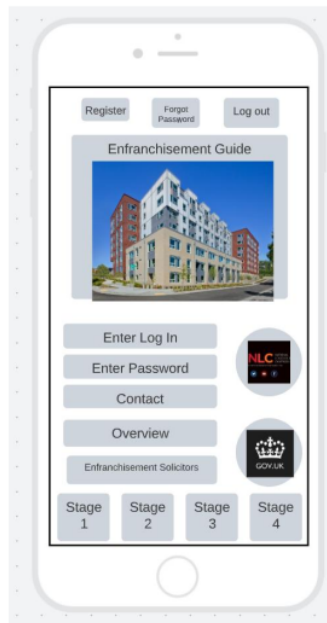
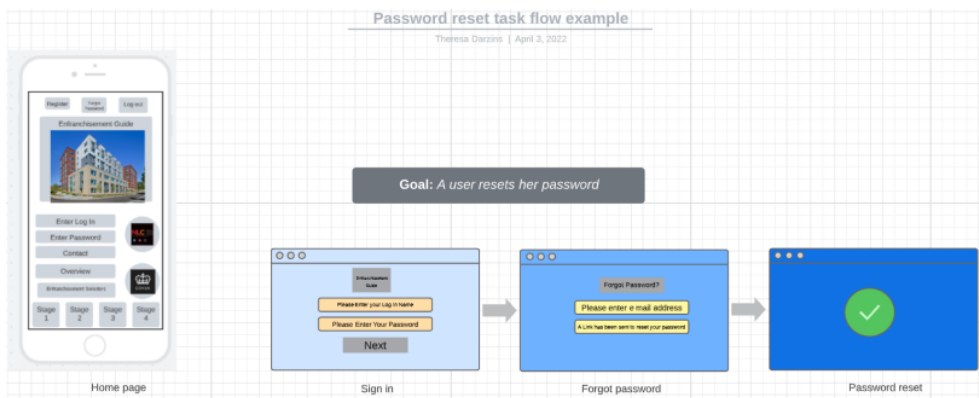


Figure 6 Password Reset Task Flow Example



2.0 Background to the Proposed Research

Whilst there is a surfeit of enfranchisement information online, having a website aimed only at *apartment* enfranchisement procedures, linked to other useful resources, would be an improvement upon these.

The information already provided is valuable, but because it is scattered, it is problematic for leaseholders to see the entire enfranchisement process. It is hoped that by constructing this website, that an overview will encourage them to rally support and use it as a guide.

2.1 The History of Leasehold

Leasehold is a remnant from feudal times, in the ^[5] 11th Century, when the land was owned by nobility and/or rich landlords.

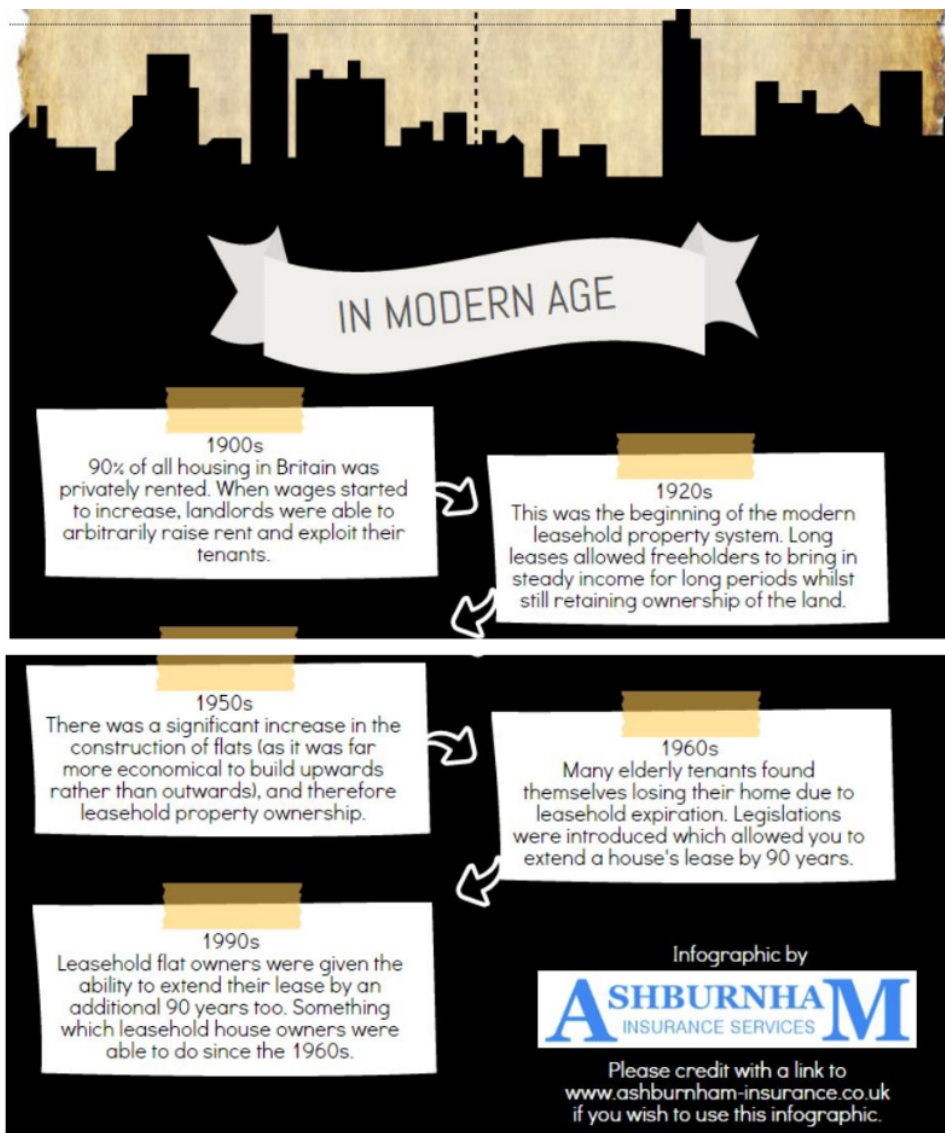
- Only England and Wales use the 'leasehold' system; elsewhere, apartment owners are entrusted with management of their buildings.
- Scotland and Northern Ireland successfully rid themselves of leasehold and gained 'commonhold'. This means that they do not have a freeholder charging them Ground Rent for nothing, other than being the owner of the land, or unnecessarily inflating service charges and insurance costs, whilst pocketing sizable commissions.

2.1.1 Timeline Graphic

[6]

Figure 7 History - Timeline of Leasehold Laws





2.2 The Principle of Leasehold

[7]

- When one purchases an apartment, they do not own it, but rather have the right to occupy it for a time specified, after which the apartment reverts to the freeholder, who owns the land it occupies.
- Subject to conditions (see 2.4) for a fee, and specific term, which the freeholder decides, extension of the lease is possible.
- Should a leaseholder default on Ground Rent or Service Charges, the freeholder can, in theory, confiscate the apartment (although this is rare).

2.3 Recent Legislation (Housing Minister)

[8]

According to Jenrick:

"Across the country people are struggling to realise the dream of owning their own home but find the reality of being a leaseholder far too bureaucratic, burdensome and expensive.

We want to reinforce the security that home ownership brings by changing forever the way we own homes and end some of the worst practices faced by homeowners.

These reforms provide fairness for 4.5 million leaseholders and chart a course to a new system altogether."

2.4 Conditions to Enfranchise Apartments

[9] The Building must:-

- Contain no less than two apartments.
- At least two-thirds of apartments must be owned by *qualifying tenants* (a leaseholder with a lease that was 21+ years when initially granted).
- Other leases within the definition of a qualifying tenant as follows :-
 - shorter lease containing clause providing perpetual renewal.
 - terminable on death/marriage/date yet unknown
 - continuation of a long lease following the expiry of the original term.
 - **shared ownership** where tenant's share is 100%.
 - 'right to buy' or 'right to acquire on rent to mortgage terms.

Even if above applicable, they will be ineligible if any of the following apply:

- the landlord a charitable housing trust and provided as part of the charity's functions.
- the tenant owns more than two flats in the building. This is either jointly with others or solely in their own name. Where this applies these flats will be discounted from the two-thirds.
- the tenant has a business or commercial lease.

The 25% non-residential rule: If over 25% of the internal area, excluding common parts, is neither used nor intended to be used for residential purposes, then the building is disqualified (shops/offices). Garages and parking spaces used by flats in the building are classified 'residential'.

Resident landlord exemption:- No right of collective enfranchisement exists where:-

- building is a conversion into four or fewer flats and
- not purpose-built; and
- same person has owned the freehold since before the conversion of the building into flats; and
- he or an adult member of his family has lived there for the past 12 months.

Properties excluded from the rights of lease extension and collective enfranchisement:

- buildings within a cathedral precinct.
- National Trust properties.
- Freehold includes track of an operational railway, including bridge/tunnel/retaining wall to railway track.
- Crown properties*. * Although the Crown is not bound by the legislation, the Minister has made a statement to the House of Commons that the Crown will be prepared to comply with the principles of it.

If building qualifies, to proceed, it is necessary to establish there are sufficient qualifying tenants.

Minimum number of participating tenants must equal half the total number of flats in the building:

- e.g., if there are 10 flats, at least five of qualifying tenants must participate.

Where there are only two flats in the building, both flats of qualifying tenants must participate.

3.0 Aims & Objectives

3.1 Aim

To provide a guide on a website for leaseholders to gain enfranchisement.

3.2 Objectives

1. To design and build a useful website to show path to enfranchisement and make it as user-friendly as possible.
2. To test said website fulfils requirements.
3. To conduct user survey to narrow down essential information for future conversion of website into an App, tailored to specific users to log on to track own estate/building enfranchisement progress.

Deliverables:

- A data set of documents used to build the website, pertinent to leasehold enfranchisement.
- A website to guide users to enable them to see timeline of overall picture when contemplating/attempting buying their freehold.
- A report detailing how this was done by deadline of 26/04/23.

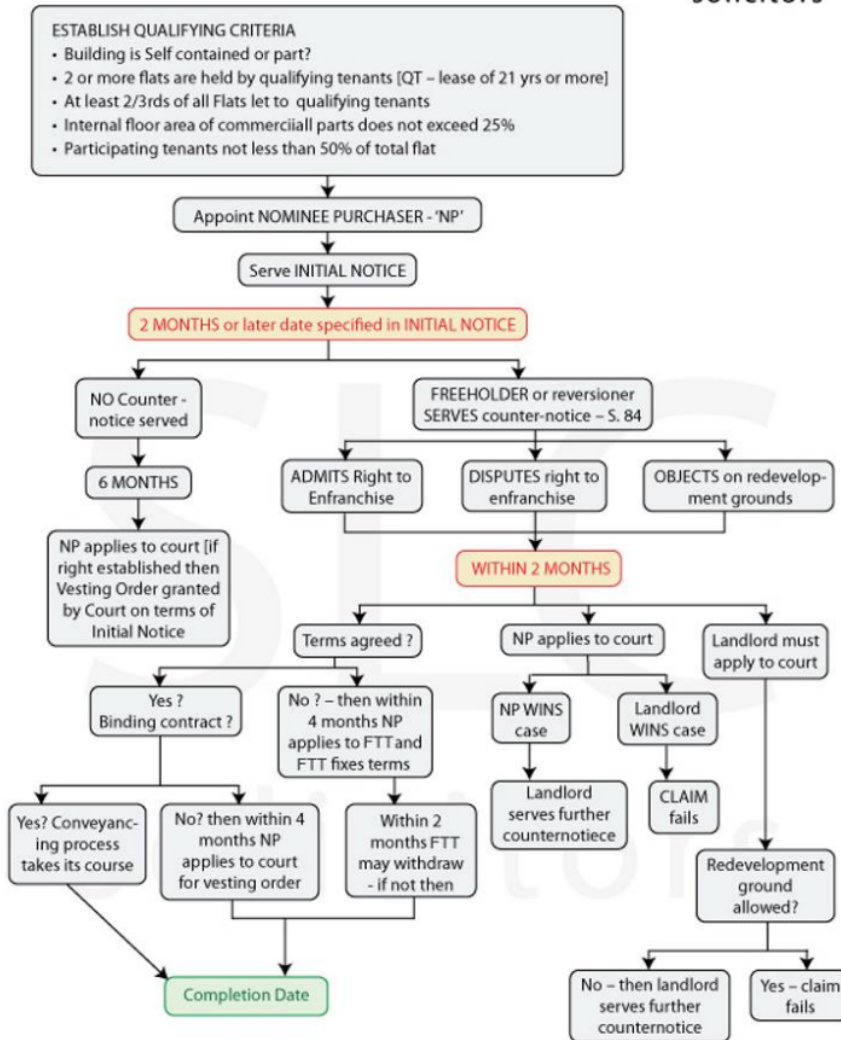
4.0 Project Design

[10] Show the overall requirements to enfranchise apartments:

Figure 8 Flow Chart for Collective Enfranchisement

collective enfranchisement
relevant steps and timescale flowchart

SLC
solicitors



4.1 Outline of Project Process

- **Literature Review:** Research current legislation/journal articles to conduct a literature review.
- **Design a Website** using a 'Requirements Analysis' (preliminary requirements listed below in Table 1).
- **Build and Test Website** according to the revised MOSCOW requirements.
- **Evaluate:**
 - **Conduct Primary Research:** Survey users' preferences for requirements for the future development of an App. This could enable personalised logins, tailored to apartment block/estate conditions.
 - **Conclusion/Recommendation:** Is an App possible? or is a Website only resource possible due to convoluted nature of the problem.
- Document throughout to assemble into a report to be submitted by 26/04/23

Table 1 MOSCOW Requirements for Website

MOSCOW Requirements For Website	Must Have	Should Have	Could Have	Won't (yet)
Has legal disclaimer to inform user this is a 'guide' and is subject to changes in law (is at users' own risk)	X			
Preamble regarding how leasehold came about	X			
Big picture summary at start to show users the 'big idea' so they can see overall concept	X			
Provide a list of pre-requisites for starting the process	X			
Has Links to all helpful websites to keep abreast of future developments and Valuation Tribunals to lower the price		X		
Database of Solicitors specialising in enfranchisement on Search Engine map		X		
Apartment Management Companies Advertising for areas Search Engine Map			X	
Standard Letter to send to Local MP to push for leaseholder's rights regarding cladding/fire safety measures			X	
Contact information for further information hotline for general questions answered by Solicitor specialising in leasehold enfranchisement				X

Table 2 MOSCOW Requirements Additional for Future App Development

MOSCOW Requirements Additional - For Future App Development	Must Have	Should Have	Could Have	Won't (yet)
Log in user requirement so that all information secure and password protected	X			
Lost password reset in case password/log in details forgotten	X			
Forms to cater to variables	X			
Timeline which shows the actions taken and actions yet to be taken on every page.	X			
Notifications of crucial timings that must be adhered to in order not to stall the process		X		
Projected dates timescale at each point			X	
Cater for user disabilities (speech recognition, large print)				X
Telephone/E Mail Help for users to contact to inform about specific need for their apartment linked to specialist Solicitors				X

4.2 Data Collection

1. Collect relevant data and categorise.
2. Preparation – organise to insert in pertinent place and order.
3. Review - check for any patterns to identify a theme and categorise.

4.3 Data Evaluation

4. Interpretation - Analyse to reveal meaningful discoveries.
5. Documentation - to conclude findings.

4.4 Risks & Limitations

- Legislation changes, making website/application obsolete.
- Running out of time/schedule slippage due to unrealistic deadlines.
- Website too general due to lack of knowledge regarding specific leases, as difficult to cater to tens of thousands of exceptions on individual leases.
- Gaining enough users willing to spend time testing.
- Development of future Application not viable due to too many variables owing to widespread lease conditions.

4.5 Ethical Issues

- **Legislation:** changes, so it is essential the website be up to date.
- **User testing:** dealing with people and their confidential information which needs to be safeguarded and backed up.
- **Data Protection:** all data collected must be:
 - Stored in safe secure location
 - Be identifiable, retrievable and accessible by the researcher
 - Accurate/reliable
 - Available to participants

- Retained in a manner which is legal-compliant.
 - Deleted once used
- **Reliability:** must be a reliable source of information.
- **Generalisability:** must be generalisable for wide appeal.
- **Validity:** must be valid to be useful.

5.0 Resources & Planning

5.1 Resources Required

5.1.1 Hardware Resources

- Laptop - Victus intel core i7
- Brick - My Passport Memory 1TB
- Printer (HP)

5.1.2 Software Resources

^[11] Free Website Builders

5.1.3 Other Resources

- ^[12] Legal and Government Information regarding leasehold legislation
- ^[13] UWTSD Lecturers for technical advice in creating website
- Users to test

5.2 Planning Chart

Tasks envisaged as follows:-

- Literature Review – 1 month (October)
- Design – 1 month (November)
- Build and Test - 2 months (December and January)
- Evaluate – 2 months (February and March)

Table 3 Planning Chart

	Task	Sub Tasks	Start Date	End Date
1.0	Literature Review		01/10/22	
	1.1	Research Methodology		31.10.22
2.0	Design		01/11/22	
	2.1	Requirements Analysis		30.11.22
3.0	Build and Test		01/12/22	
	3.1	Practical Implementation		31.01.23
4.0	Evaluate		01/02/23	
	4.1	Primary Research Analysis		31.03.23
	4.2	Conclusion/Recommendation		20.04.23

1,535 Words

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ACCA6020 Proposal - Guide to Apartment Leasehold Enfranchisement

GRADEMARK REPORT

FINAL GRADE

GENERAL COMMENTS

Instructor

55 / 100

Intro / A&O (400 words)		
Project title; Identification of a specific problem to be investigated; Well-defined aims and SMART objectives; Explaining why this project is worth doing; Discussion of what the project needs to do in order to be a success; Description any deliverables that will be produced at the end of the project	20	14
Background to the Project / Literature Review (400 words)		
Description of how the work to be done by in the project relates to the work identified in the literature review; Discussion of any ethical issues raised by the project Identifying what has already been done within the field; Topic familiarity; Brief literature review using appropriate sources – 6-8 journal papers and book chapters rather than just websites; Selection of relevant models & concepts	20	11

Background to the project has a number of useful Infographics. There are some references to the literature, however I would have liked more to particularly support the discussion and decision making. I would have expected some discussion on website good practices and the tools available. The number of research papers is okay but they need to support the reasoning in the text.		
Project Design (500 words)		
Clear statement of which development methods are to be used and why they are appropriate; Clear statement of which tools are to be used and why they are appropriate; Clear description of how data collected will be analysed Project design has a flow chart to show the relevant steps and timescale. There is no mention of a development methodology or how the deliverables can be analysed to show the project is a success. Tools to be used are in the form of a list. It would have been appreciated to see the reasoning behind the selection process.	30	13
Resources / Planning (200 words)		
List of any deliverables; Clear diagram showing both timing and resource use; Completed ethics form; Limited and relevant appendices	15	7

A list of deliverables is present together with MOSCOW requirements. A simple Gantt chart is supplied, but not combined with the use of resources.		
Document Presentation		
Correct spelling, grammar and punctuation; Flow of narrative/fluency; Coherence; Word processed ; Correct use of referencing with bibliography; Strict word limit A good quality document that is correctly referenced and has an excellent Table of Contents. I would have like a summary section before the reference section. More decision making and support from the literature would have enhanced the text. Remember to place the Project Title on the opening page.	15	10
TOTAL	100	55

PAGE 1
PAGE 2
PAGE 3
PAGE 4
PAGE 5
PAGE 6
PAGE 7

PAGE 8

PAGE 9

PAGE 10

PAGE 11

PAGE 12

PAGE 13

PAGE 14

PAGE 15

PAGE 16

PAGE 17

PAGE 18

PAGE 19

PAGE 20

PAGE 21

PAGE 22

PAGE 23

PAGE 24

PAGE 25

PAGE 26
