



Freehold & leasehold explained

Property Disputes

When is an owner also a tenant?

Many people think of a 'tenant' of residential property as a person who lives in a house or flat which belongs to someone else. They occupy the property under a tenancy agreement which is typically not longer than 6 months or a year in length, where rent is paid on a weekly or monthly basis to their landlord. Usually it will contain other obligations such as who repairs what parts of the property, and what happens if someone breaches their obligations in the agreement.

Surprisingly, the owners of most residential flats are also tenants, although on a long tenancy or 'lease'. Owners of flats can be referred to as tenants, leaseholders or flat owners, all of which mean the same thing. In a block of flats a flat owner's landlord will typically own the freehold or a head lease of the building, and will usually be responsible for the upkeep of the building as a whole, such as arranging insurance and repairs. In return the tenants will pay a service charge to the landlord to cover the costs of providing these services.

The rights of flat owners are protected by a great deal of legislation. The legislation is also there to make sure that the charges that landlords make are reasonable. If the freehold is owned by a management company owned by the tenants, the legal obligations remain the same, but this arrangement can blur the landlord/ tenant distinction.

If you have any queries about your leasehold or freehold, please contact our Property Disputes team on 0800 923 2064.